

REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY

1. INTRODUCTION

This Schedule provides a summary of the revenue requirement being requested by Hydro Ottawa for 2026-2030 in order to continue delivering electricity safely and reliably. The utility's total Service Revenue Requirement is offset by revenues obtained by sources other than distribution rates (i.e. other revenue). The calculation of the revenue deficiency/sufficiency does not include the recovery of deferral and variance accounts, as outlined in Schedule 9-3-1 - Disposition of Deferral and Variance Accounts, or Low Voltage Charges as outlined in Schedule 8-2-1 - Retail Transmission and Low Voltage Service Rates. As directed in the *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications*, dated December 9, 2024, costs and revenues related to the cost of power are kept separate from the determination of the distribution revenue sufficiency/deficiency.

Detailed information on the calculation of revenue requirement for 2026-2030 can be found in the Excel Revenue Requirement Workforms (RRWF) attached to this Schedule, as follows¹:

- Attachment 6-1-1(A) - OEB Workform - 2026 Revenue Requirement Workform
- Attachment 6-1-1(B) - OEB Workform - 2027 Revenue Requirement Workform
- Attachment 6-1-1(C) - OEB Workform - 2028 Revenue Requirement Workform
- Attachment 6-1-1(D) - OEB Workform - 2029 Revenue Requirement Workform
- Attachment 6-1-1(E) - OEB Workform - 2030 Revenue Requirement Workform

¹ Hydro Ottawa selected "2023" as the "Most recent year" in cell E95 of the Cost allocation tab in each of the revenue requirement workform as that is the latest year option available; however, the values reflect 2025's as that is the recent approved year. In addition, Hydro Ottawa left cell E128 blank as the option to select years 2028-2030 were not available. The file name has the year the RRWF relates to.

2. CALCULATION OF DEFICIENCY OR SUFFICIENCY

2.1. REVENUE DEFICIENCY/SUFFICIENCY 2021-2025

For 2021-2025, Hydro Ottawa completed one cost allocation model therefore the revenue deficiency/sufficiency for 2021-2025 was calculated using the following inputs:

- 2020 approved rates;
- 2021-2025 Approved load forecast and forecast of customers/connections; and
- 2021-2025 base revenue requirement, as per the Approved Settlement Agreement governing Hydro Ottawa's 2021-2025 rate term, including the mid-term adjustments.²

²Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2019-0261 (September 18, 2020).

Table 1 – Approved Revenue Deficiency/Sufficiency for 2021-2025 with Mid-Term Adjustments

(\$'000s)

	Historical Years			Bridge Years	
	2021	2022	2023	2024	2025
Return on Rate Base	\$ 64,029	\$ 68,503	\$ 70,886	\$ 76,980	\$ 79,365
Distribution Expenses (not including amortization)	\$ 90,600	\$ 93,490	\$ 96,846	\$ 101,389	\$ 104,927
Depreciation, amortization	\$ 51,956	\$ 55,472	\$ 57,686	\$ 59,039	\$ 62,125
Payment in Lieu of Taxes	\$ 891	\$ 2,131	\$ 6,331	\$ 10,539	\$ 7,283
Service Revenue Requirement	\$ 207,476	\$ 219,596	\$ 231,749	\$ 247,947	\$ 253,700
Less Capital Stretch Factor	-	\$ 776	\$ 1,659	\$ 2,701	\$ 3,658
Service Revenue Requirement Net of Capital Stretch Factor	\$ 207,476	\$ 218,820	\$ 230,090	\$ 245,246	\$ 250,042
Less Revenue Offsets	\$ 9,680	\$ 9,397	\$ 9,305	\$ 9,791	\$ 10,003
Base Revenue Requirement	\$ 197,796	\$ 209,423	\$ 220,785	\$ 235,455	\$ 240,040
Transformer Ownership Credit	\$ 1,065	\$ 1,069	\$ 1,073	\$ 1,079	\$ 906
Revenue Requirement from Rates	\$ 198,861	\$ 210,492	\$ 221,858	\$ 236,534	\$ 240,946
Forecasted Load at 2020 Rates	\$ 188,518	\$ 189,731	\$ 191,002	\$ 192,415	\$ 193,588
Yearly Revenue Deficiency over 2020	\$ (10,343)	\$ (20,761)	\$ (30,856)	\$ (44,119)	\$ (47,358)
Cumulative Revenue Deficiency (over 2020)	\$ (10,343)	\$ (31,104)	\$ (61,960)	\$ (106,079)	\$ (153,437)

2.2. REVENUE DEFICIENCY/SUFFICIENCY 2026-2030

For 2026-2030, Hydro Ottawa completed a cost allocation model for each of the test years therefore the revenue deficiency/sufficiency for each of these test years were calculated using the following inputs:

- Applying prior year's historical or proposed rates; and
- Each year's forecasted revenue load and customer numbers.

This calculation results in year-over-year requirement deficiencies shown in tables of this Schedule and Revenue Requirement Workforms. Further details on the 2026-2030 load and customer forecasts can be found in Schedule 3-1-1 - Revenue Load and Customer Forecast.

The Costs Allocated from Previous Study and Previously Approved Ratios on Sheet 11 Cost Allocation in the RRWF Workforms refer to 2021 rate application. Please refer to Schedule 7-1-1 - Cost Allocation for more details. In addition, the difference in Sheet 11 Cost Allocation between columns (7C) and (7D) is the difference between allocated Base Revenue Requirement and achieved Base Revenue Requirement.

Table 2 below shows 2026-2030 base revenue requirement calculations.

Table 2 – Revenue Deficiency/Sufficiency for 2026-2030 (\$'000s)³

	Test Years				
	2026	2027	2028	2029	2030
Return on Rate Base	\$ 91,549	\$ 101,661	\$ 113,928	\$ 123,382	\$ 130,196
Distribution Expenses (not including amortization)	\$ 140,010	\$ 147,263	\$ 154,891	\$ 162,914	\$ 171,353
Depreciation, amortization	\$ 67,205	\$ 75,392	\$ 82,256	\$ 88,364	\$ 94,410
Payment in Lieu of Taxes (PILS)	\$ 6,638	\$ 6,528	\$ 12,204	\$ 12,671	\$ 15,432
Other Expenses - PILS Contribution	\$ 4,590	\$ 4,596	-	-	-
Service Revenue Requirement	\$ 309,993	\$ 335,440	\$ 363,279	\$ 387,331	\$ 411,392
Less Revenue Offsets	\$ 11,018	\$ 10,697	\$ 10,859	\$ 11,123	\$ 11,460
Revenue Requirement from Rates	\$ 298,975	\$ 324,743	\$ 352,420	\$ 376,208	\$ 399,932
Forecasted Load at Prior Year Rates	\$ 249,050	\$ 300,938	\$ 327,932	\$ 355,874	\$ 379,297
Yearly Revenue Deficiency	\$ (49,926)	\$ (23,804)	\$ (24,488)	\$ (20,334)	\$ (20,636)
Cumulative Revenue Deficiency	\$ (49,926)	\$ (73,730)	\$ (98,218)	\$ (118,552)	\$ (139,187)

³ Totals may not sum due to rounding.

1 **3. YEAR-OVER-YEAR REVENUE DEFICIENCY/SUFFICIENCY**

2 Table 3 below provides the 2025-2026 year-over-year revenue deficiency/sufficiency amounts and
3 major cost drivers. The references to other Schedules in this Application indicate where additional
4 details on year-over-year variance and cost drivers can be found.

Table 3 – 2025-2026 Revenue Deficiency Amounts & Cost Drivers (\$'000s)⁴

Driver of Deficiency	2025 OEB- Approved	2026 Test Year	+/-	Cost Drivers	Schedule Reference
Return on Rate Base	\$ 79,365	\$ 91,549	\$ 12,184	\$97.1M increase in average net fixed assets driven mainly by increased volume and complexity of non-discretionary growth, increased renewal work due to aging equipment and failures, major storms, and inflationary pressures.	2-1-1, 2-5-1 to 2-5-9
Distribution Expenses (not including amortization)	\$ 104,927	\$ 140,010	\$ 35,083	Increase in distribution operations expenses, cloud and information technology including cyber security Headcount growth and increases in compensation Inflationary increases	4-1-1
Amortization	\$ 62,125	\$ 67,205	\$ 5,080	Capital addition and increase in forecast capital additions to meet customer needs and grid modernization	2-1-1
Payment in Lieu of Taxes	\$ 7,283	\$ 6,638	\$ (645)	Changes in capital additions and the associated CCA deductions available.	6-2-1
Other Expenses - PILS	-	\$ 4,590	\$ 4,590	Proposed PILS capital contribution.	6-1-1 & 9-1-4
Service Revenue Requirement	\$ 253,700	\$ 309,993	\$ 56,293		
Less Capital Stretch Factor	\$ 3,658	-	\$ (3,658)	Proposed Custom IR Rate Term does not include additional Capital Stretch Factor.	1-3-1
Service Revenue Requirement Net of Capital Stretch Factor	\$ 250,042	\$ 309,993	\$ 59,951		
Less Revenue Offsets	\$ 10,003	\$ 11,018	\$ 1,015	Changes to Other Operating Revenue rates.	6-3-1 & 6-3-4
Base Revenue Requirement	\$ 240,040	\$ 298,976	\$ 58,937		
Transformer Ownership Credit	\$ 906	-	\$ (906)	Transformer Ownership Credit ends as of November 1, 2025.	
Revenue Requirement from	\$ 240,946	\$ 298,976	\$ 58,031		

⁴ Totals may not sum due to rounding.

Driver of Deficiency	2025 OEB- Approved	2026 Test Year	+/-	Cost Drivers	Schedule Reference
Rates					
Forecasted Load at 2020/2025 Rates	\$ 193,588	\$ 249,050	\$ 55,462	Increase in rates and changes to revenue load forecast.	3-1-1 & 8-2-1
Yearly Revenue Deficiency (over 2025)		\$ (49,927)			

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- 1 Table 4 provides the 2026-2030 year-over-year revenue requirement amounts, the increase or
- 2 decrease from prior Test Year, major cost drivers, and references to Schedules where further
- 3 information on the drivers can be found.

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Table 4 – 2025-2030 Revenue Deficiency Amounts & Drivers (\$'000s)⁵

		Approved	Test Years					Drivers	Schedule Reference
		2025	2026	2027	2028	2029	2030		
Return on Rate Base	\$	\$ 79,365	\$ 91,549	\$ 101,661	\$ 113,928	\$ 123,382	\$ 130,196	Annual increase in net fixed assets and working capital allowance.	2-1-1 & 2-3-1
	+/-		\$ 12,184	\$ 10,112	\$ 12,267	\$ 9,454	\$ 6,814		
Distribution Expenses (not including amortization)	\$	\$ 104,927	\$ 140,010	\$ 147,263	\$ 154,891	\$ 162,914	\$ 171,353	Increases in compensation Inflationary increases Increase in distribution operations expenses	4-1-1 & 2-5-1 to 2-5-9
	+/-		\$ 35,083	\$ 7,253	\$ 7,628	\$ 8,023	\$ 8,439		
Amortization	\$	\$ 62,125	\$ 67,205	\$ 75,392	\$ 82,256	\$ 88,364	\$ 94,410	Annual changes in amortization due to change in capital additions	2-7-1
	+/-		\$ 5,080	\$ 8,186	\$ 6,864	\$ 6,108	\$ 6,046		
Payment in Lieu of Taxes	\$	\$ 7,283	\$ 6,638	\$ 6,528	\$ 12,204	\$ 12,671	\$ 15,432	Annual changes in capital additions and the associated CCA deductions available, compared to the accounting depreciation.	6-2-1
	+/-		\$ (645)	\$ (110)	\$ 5,676	\$ 467	\$ 2,762		
Other Expenses - PILS Contribution	\$		\$ 4,590	\$ 4,596	-	-	-	2026 and 2027 PILS approach to CCA	6-1-1 & 9-1-4
	+/-		\$ 4,590	\$ 6	\$ (4,596)	-	-		
Less: Capital Stretch Factor	\$	\$ 3,658	-	-	-	-	-	Capital efficiencies have been built into the capital forecast	1-3-1
	+/-		\$ (3,658)	-	-	-	-		
Service Revenue Requirement	\$	\$ 250,042	\$ 309,993	\$ 335,440	\$ 363,279	\$ 387,331	\$ 411,392		6-1-1 Attachment A-E
	+/-		\$ 59,951	\$ 25,446	\$ 27,840	\$ 24,052	\$ 24,061		

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⁵ Totals may not sum due to rounding.

		Bridge (Cont'd)	Test Years (Cont'd)					Drivers (Cont'd)	Reference (Cont'd)
		2025	2026	2027	2028	2029	2030		
Less Revenue Offsets	\$	\$ 10,003	\$ 11,018	\$ 10,697	\$ 10,859	\$ 11,123	\$ 11,460	Services to third parties expected to generate less revenue starting 2027 to promote safety and electrification	6-3-1 & 6-3-5
	+/-		\$ 1,015	\$ (321)	\$ 162	\$ 264	\$ 337		
Base Revenue Requirement	\$	\$ 240,040	\$ 298,975	\$ 324,743	\$ 352,420	\$ 376,208	\$ 399,932		6-1-1 Attachment A-E
	+/-		\$ 58,935	\$ 25,767	\$ 27,678	\$ 23,788	\$ 23,724		
Transformer Ownership Credit	\$	\$ 906	-	-	-	-	-	Removal of Transformer Ownership Credit effective November 1, 2025	8-1-1
	+/-		\$ (906)	-	-	-	-		
Revenue Requirement from Rates	\$	\$ 240,946	\$ 298,975	\$ 324,743	\$ 352,420	\$ 376,208	\$ 399,932		6-1-1 Attachment A-E
	+/-		\$ 58,029	\$ 25,767	\$ 27,678	\$ 23,788	\$ 23,724		
Forecasted Load at Prior Year Rates	\$	\$ 193,588	\$ 249,050	\$ 300,938	\$ 327,932	\$ 355,874	\$ 379,297	Expected annual growth in Revenue Load and Customer Forecast; Annual changes in rates for Test Years	3-1-1 & 8-2-1
	+/-		\$ 55,462	\$ 51,889	\$ 26,994	\$ 27,942	\$ 23,422		
Cumulative Revenue Deficiency (over 2025)	\$	\$ (47,358)	\$ (49,926)	\$ (73,730)	\$ (98,218)	\$ (118,552)	\$ (139,187)		8-1-3
	+/-		\$ (2,568)	\$ (23,804)	\$ (24,488)	\$ (20,334)	\$ (20,636)		

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4. PILS CAPITAL CONTRIBUTION

Hydro Ottawa is required to maximize tax deductions and credits in the determination of taxes or payment in lieu of taxes (PILS). As outlined in Section 7 of Schedule 9-1-4 - Account 1592 PILS and Tax Variance, existing tax legislation allows for accelerated Capital Cost Allowance (CCA) for years 2026-2027. This allows Hydro Ottawa to deduct more CCA in the first years when the assets are available for use thereby reducing PILS in the earlier years of the assets' useful lives. Accelerated CCA does not change the total amount of CCA that Hydro Ottawa can deduct over the tax life of the eligible capital assets. This accelerated CCA is only available to be claimed in the first tax year that the eligible capital assets are acquired and available for use. By claiming a larger CCA deduction in the first year, Hydro Ottawa will have smaller CCA deductions available in future years.

Hydro Ottawa is proposing to include in revenue requirement for 2026 and 2027, as noted in Table 5 above, the decrease in Grossed Up PILS for 2026 and 2027 due to accelerated CCA rules; as well as the impact in the decrease in accumulated Grossed Up PILS due to the 2021 immediate expensing measure that has been recorded in Account 1592. This increase in revenue requirement proposed is to be recognized as capital contribution in the corresponding year in the fixed asset subledger. The PILs capital contribution will be amortized over 36 years. This proposal has dual benefits as it addresses the intergenerational equity issues that arise in the context of deferred taxes when income tax decisions in the present have long-term tax implications for future generations. This will smooth the benefit of the Grossed Up PILS difference for both the 2026 and 2027 Accelerated CCA and the 2021 immediate expensing measure over 36 years instead of allocating and benefiting the entire decrease in Grossed Up PILS to current ratepayers. This proposal will also allow customers to pay less through base rates over the asset life as rate base will be lower over time instead of only during the first years of an asset life.

Please also see Schedule 9-1-4 - Account 1592 PILS and Tax Variance for additional details on the historical treatment of these tax impacts.

**Attachment 6-1-1(A) - OEB Workform - 2026 Revenue
Requirement Workform**

(Refer to the attachment in Excel format)

**Attachment 6-1-1(B) - OEB Workform - 2027 Revenue
Requirement Workform**

(Refer to the attachment in Excel format)

**Attachment 6-1-1(C) - OEB Workform - 2028 Revenue
Requirement Workform**

(Refer to the attachment in Excel format)

**Attachment 6-1-1(D) - OEB Workform - 2029 Revenue
Requirement Workform**

(Refer to the attachment in Excel format)

**Attachment 6-1-1(E) - OEB Workform - 2030 Revenue
Requirement Workform**

(Refer to the attachment in Excel format)

PAYMENT IN LIEU OF TAXES

1. INTRODUCTION

Hydro Ottawa is required to make Payments in Lieu of Taxes (PILS) to the Ministry of Finance based on its taxable income.

Hydro Ottawa has modified the Income Tax/PILS Workform (PILS Tax Model) supplied by the OEB for 2025 Cost of Service Applications Filers. Hydro Ottawa modified the PILS Tax Model to calculate the PILS for each of the 2026-2030 Test Years in one PILS Tax Model (Modified PILS Tax Model) for all five Test Years instead of an individual PILS Tax Model per Test Year. The modifications made to the PILS Tax Model are discussed later in this Schedule.

The amount of PILS included in the revenue requirements for each of the 2026-2030 Test Years is summarized in Table 1. The Modified PILS Tax Model for 2026-2030 Test Years are appended to this Schedule as the following Excel Attachment 6-2-1(B) - OEB Workform - 2026-2030 Income Tax/PILS Workform.

Table 1 - Grossed Up PILS for 2026-2030 Test Years (\$'000s)

Test Year	Income Taxes/PILS Grossed Up
2026	\$ 6,638
2027	\$ 6,528
2028	\$ 12,204
2029	\$ 12,671
2030	\$ 15,432

As noted, modifications have been made to the PILS Tax Model supplied by the OEB for 2025 Cost of Service Applications Filers. Instead of calculating and completing an individual PILS Tax Model for each 2026-2030 Test Years, the PILS Tax Model supplied by the OEB for 2025 Cost of service Application Filers has been modified such that the PILS for each of the 2026-2030

Test Years are calculated in one complete PILS Tax Model. The following modifications were made:

- Tab “Table of Contents” has been modified to include all new tabs added to the Modified PILS Model and renamed tabs;
- Tab S “Summary” has been modified to include summaries for 2026-2030 Test Years;
- Tab A has been renamed as “A Data Input Sheet 26-30”. A calculation for the Return on Rate Base has been added for 2027, 2028, 2029 and 2030 Test Years and are located in cells K9 to AC19;
- Two Bridge Years have been added as Tabs A for the 2024 Bridge Year and Tabs B for 2025 Bridge Year, specifically:
 - Tabs A0 – A13 added and renamed for the 2024 Bridge Year
 - Tabs B0 – B13 added and renamed for the 2025 Bridge Year
 - The Modified PILS Tax Model now includes a 2023 Historical Year, a 2024 Bridge Year, a 2025 Bridge Year and the 2026-2030 Test Years;
- Tab “C1 PIL Tax Provision Test 27 - 30” has been added. This new Tab C1 shows the PILS calculation for the 2027, 2028, 2029 and 2030 Test Years. This tab consolidates all the calculations for PILS into one tab for the 2027, 2028, 2029 and 2030 Test Years;
- Tabs T0 to T13 show the PILS calculations for the 2026 Test Year;
- Tab “C2 Sch 8 CCA Test 27” has been added. This tab calculates the Capital Cost Allowance (CCA) deduction for the 2027 Test Year and includes the modifications made to calculate Accelerated CCA for 2027 additions;
- Tab “C3 Sch 8 CCA Test 28” has been added. This schedule calculates the CCA deduction for the 2028 Test Year and has not been modified to include Accelerated CCA as Accelerated CCA is no longer available for capital additions available for use after 2027;
- Tab “C4 Sch 8 CCA Test 29” has been added. This schedule calculates the CCA deduction for the 2029 test year and does not include the Accelerated CCA, as Accelerated CCA is no longer available for capital additions available for use after 2027;

- Tab “C5 Sch 8 CCA Test 30” has been added. This schedule calculates the CCA deduction for the 2030 Test Year and has not been modified to include Accelerated CCA, as Accelerated CCA is no longer available for capital additions available for use after 2027;
- The following tabs were modified to calculate Accelerated CCA on assets acquired in those Years :
 - Tab “A8 Sch 8 CCA Bridge 24”
 - Tab “B8 Sch 8 CCA Bridge 25”
 - Tab “T8 Sch 8 CCA Test 26”
 - Tab “C2 Sch 8 CCA Test 27”; and
- In the PILS Tax Model supplied by the OEB for 2025 Cost of Service Applications Filers, column Q “(14) Cost of acquisitions from column 13 that are accelerated investment incentive properties” does not contain any data or formula. In the Modified PILS Tax Model, column Q has been updated to align with column P “(13) Cost of acquisitions on remainder of Class” to indicate that current year fixed asset additions are eligible as accelerated investment incentive (or Accelerated CCA) properties.

2. PRUDENT MANAGEMENT OF PILS/TAXES

Hydro Ottawa exercises sound tax planning and manages its tax costs diligently in order to minimize these costs. As required, the utility maximizes tax deductions such as CCA, and takes advantage of available tax credits, such as apprentice tax credits, student co-op tax credits, and scientific research and experimental development (SR&ED) tax credits.

3. GENERAL METHODOLOGY

The methodology for calculating PILS is consistent with the principles set out in the *Chapter 2 OEB’s Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications*, dated December 9, 2024. It is also consistent with the methodology employed in prior years. In addition, PILS calculations reflect applicable current tax legislation

and regulatory changes, including the recent legislative tax changes to CCA in Bill C-97, which are further discussed in Section 6 below.

For the 2026-2030 Test Years, Hydro Ottawa has used a combined income tax rate of 26.5%, which comprises a federal tax rate of 15.0% and a provincial tax rate of 11.5%. This rate is applied to Hydro Ottawa's regulatory taxable income determined through the PILS Tax Models to calculate income taxes payable before the deduction of tax credits. Applicable tax credits are then deducted to determine the Corporate PILS/Income Tax Provision for the given Test Year. This amount is then grossed up by the 1 - tax rate formula to determine the PILS component of the revenue requirement for each Test Year.

4. LOSS CARRY-FORWARDS

Hydro Ottawa does not have any non-capital loss or capital loss carry-forwards as at the end of December 2023. Furthermore, the utility has not forecast any loss carry-forwards for the 2026-2030 Test Years.

5. NON-DISTRIBUTION ASSETS/NON-RECOVERABLE EXPENSES

Hydro Ottawa has excluded any non-distribution assets in its Modified PILS Tax Model. Specifically, non distribution assets have been deducted in the 2023 historical year. Please see Tab H8 in the Modified PILS Tax Model for details. The utility also confirms that non-recoverable expenses and expenses disallowed for regulatory purposes have been excluded in the tax calculation, such as donations.

6. CAPITAL COST ALLOWANCE

On June 21, 2019, Bill C-97 received Royal Assent. Bill C-97, the *Budget Implementation Act, 2019*, introduced changes to CCA, such as the new Accelerated CCA rules. These rules allow enhanced first-year tax depreciation on eligible capital assets acquired and available for use after November 20, 2018. Under the Accelerated CCA rules, Hydro Ottawa is able to deduct up

to three times the amount of tax depreciation that would otherwise be available in the year that an asset is acquired and available for use. This is achieved by removing the “half-year” rule and then applying the prescribed CCA rate at 1.5 times on the net qualifying additions for the given year. This Accelerated CCA is available for assets acquired and available for use after November 20, 2018 and before 2024.

A phase-out period will begin for property that becomes available for use after 2023. For assets acquired after 2023 and before 2028, the “half-year” rule is still not applied and the Accelerated CCA rules will allow Hydro Ottawa to deduct tax depreciation that is two times the amount of tax depreciation that would otherwise apply in the year that an asset is acquired and available for use. The Accelerated CCA rules will no longer be available for assets acquired after 2027.

Accelerated CCA does not change the total amount of CCA that Hydro Ottawa can deduct over the tax life of the eligible capital assets. This Accelerated CCA is only available to be claimed in the first tax year that the eligible capital assets are acquired and available for use. By claiming a larger CCA deduction in the first year, Hydro Ottawa will have smaller CCA deductions available in future years. Hydro Ottawa confirms that the Accelerated CCA rules from Bill C-97 have only been applied in the PILS Tax calculations for the 2026 and 2027 Test Years because Accelerated CCA is no longer available after 2027. Accelerated CCA for the 2026 & 2027 Test Years have been reflected in the Modified PILS Tax Model. Please see tabs T8 and C2 in the Modified PILS Tax Model for these details.

The regulatory taxable income in each Test Year includes forecasted CCA, which has been calculated using the Accelerated CCA rules applicable in the 2023 Historical Year, 2024 and 2025 Bridge Years, and in the 2026 and 2027 Test Years. Accelerated CCA is no longer available for the 2028, 2029 and 2030 Test Years. These forecasted CCA amounts are calculated using the estimated ending Undepreciated Capital Cost (UCC) balance from the previous year as the opening balance and then adding the net capital additions to determine the

UCC balance available for each Test Year. The “half-year” rule has not been applied in each of the 2026 and 2027 Test Years on net qualifying additions. The Accelerated CCA rules allow Hydro Ottawa to deduct two times the amount of tax depreciation that would otherwise apply on qualifying new assets for the 2026 and 2027 Test Years. The Accelerated CCA rules will no longer be available for assets acquired after 2027. The maximum allowable CCA has been deducted for all 2026-2030 Test Years. The Federal Government announced an extension to the Accelerated CCA rules in the Federal 2024 Fall Economic Statement. Further discussion about the Accelerated CCA extension can be found in Schedule 9-1-4 - Account 1592 PILS and Tax Variance.

7. TAX CREDITS – APPRENTICES & CO-OP STUDENTS

As in previous years, Hydro Ottawa continues to claim the Federal Apprenticeship Job Creation Tax Credit and the Ontario Co-operative Education Tax Credit. The Federal Apprenticeship Job Creation Tax Credit is 10% of salaries and wages paid to eligible apprentices, up to a maximum of \$2,000 per year per apprentice for the first two years of the apprenticeship contract. The Ontario Co-operative Education Tax Credit is 25% of eligible expenditures up to a maximum of \$3,000 per student per year.

The Ontario Apprenticeship Training Tax Credit is no longer available and has not been included in 2026-2030 Test Years. This credit was available during the first 36 months of the apprentice program for programs that commenced before November 15, 2017. The 2020 Year was the last year in which Hydro Ottawa claimed this credit.

Hydro Ottawa has forecasted the Federal Apprenticeship Job Creation Tax Credit and deducted this tax credit in the PILS Tax Models for the 2026-2030 Test Years. The Ontario Co-operative Education Tax Credit for each of the 2026-2030 Test Years has been calculated by forecasting that 35 eligible co-op students will be hired per Test Year, with a tax credit per student of \$3,000

(i.e. total credits of \$105,000 per Test Year). These tax credits are summarized in Tables 2 and 3 below.

Table 2 – Total Federal Apprenticeship Job Creation and Ontario Co-operative Education Tax Credits for 2026-2030 Test Years

Year	Federal Apprenticeship Tax Credit	Ontario Co-op Education Tax Credit	Total Tax Credits
2026	\$ 10,000	\$ 105,000	\$ 115,000
2027	\$ 20,000	\$ 105,000	\$ 125,000
2028	\$ 10,000	\$ 105,000	\$ 115,000
2029	-	\$ 105,000	\$ 105,000
2030	-	\$ 105,000	\$ 105,000

Table 3 – Federal Apprenticeship Job Creation Tax Credits for 2026-2030 Test Years¹

Hiring Year		Tax Credits Received				
Year	Number Hired	2026	2027	2028	2029	2030
2026	5	5	5	-	-	-
2027	5	-	5	5	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
TOTAL NUMBER OF CREDITS/YR		5	10	5	-	-
TOTAL \$ CREDITS/YR		\$10,000	\$20,000	\$10,000	-	-

¹ As a guide for interpreting the information presented in this table, please see the explanation on the applicability of the Federal Apprenticeship Job Creation Tax Credit provided in Section 7 of this Schedule.

8. TAX CREDITS – SCIENTIFIC RESEARCH & EXPERIMENTAL DEVELOPMENT

Hydro Ottawa first filed for SR&ED tax credits for the 2017 tax year. The SR&ED tax credits for 2017 to 2019 have been assessed and audited. The SR&ED tax credits for 2020 to 2023 have been assessed but not audited. For the 2026-2030 Test Years, the SR&ED tax credits have been forecasted based on the average percentage of qualified SR&ED expenditures from 2017 to 2023. The 2026-2030 SR&ED amounts are presented in Table 4 below. The forecasted SR&ED tax credits have been reflected as a reduction in capital expenditures and/or operations and maintenance (O&M) expenses for each Test Year. This approach is consistent with Hydro Ottawa's 2021-2025 rate application proposal and approved as part of the Settlement Agreement.²

Table 4 – Total Forecast SR&ED Tax Credits for 2026-2030 Test Years

Year	SR&ED Credit Capital	SR&ED Credit O&M	SR&ED Credit Total
2026	\$ 576,000	\$ 223,000	\$ 799,000
2027	\$ 839,000	\$ 323,000	\$ 1,162,000
2028	\$ 860,000	\$ 332,000	\$ 1,192,000
2029	\$ 695,000	\$ 268,000	\$ 963,000
2030	\$ 497,000	\$ 193,000	\$ 690,000

9. INTEGRITY CHECKS

The following integrity checks have been completed in respect of the Modified PILS Tax Model:

- Depreciation and amortization added back agreed with the numbers disclosed in the rate base section of the Application.
- Capital additions and deductions agreed with the rate base section for Historical Years, Bridge Years, and Test Years.

² Hydro Ottawa Limited, 2021-2025 Custom Incentive Rate-Setting Approved Settlement Agreement, EB-2019-0261 (September 18, 2020).

- 1 • Schedule 8 of the most recent 2023 tax return year filed with the Application has a
- 2 closing December 31 UCC balance that agrees with the historical year UCC balance at
- 3 December 31.
- 4 • Non-distribution assets have been removed from the Modified PILS Tax Model in the
- 5 2023 Historical Year.
- 6 • The CCA deductions in the Modified PILS Tax Model for Historical Years, Bridge Years,
- 7 and Test Years agree with the numbers in Schedule 8 of 2023 to 2030.
- 8 • Other post-employment benefits and pension expenses are added back on Schedule 1.
- 9 • The income tax rate used to calculate the tax expense is consistent with the current
- 10 legislated rate.
- 11 • The maximum allowable CCA has been deducted for all 2026-2030 Test Years, including
- 12 Accelerated CCA in 2026 and 2027 Test Years.
- 13 • A corporation can claim a deduction from its net income for charitable donations made to
- 14 qualified donors. From 2024 to 2030, all donation expenses were added back to taxable
- 15 income. OEB-qualified donations were deducted from net income for tax purposes in
- 16 order to determine taxable income.
- 17 • Hydro Ottawa has estimated its SR&ED claim for 2024 to 2030 based on forecasted
- 18 spending and the average eligible SR&ED claim percentage from previously filed
- 19 SR&ED claims. SR&ED deductions reported in the financial statements have been
- 20 added back to taxable income, while the SR&ED expenditure claimed in the year has
- 21 been deducted from taxable income. Additionally, SR&ED expenses capitalized for
- 22 accounting purposes have been subtracted from taxable income and excluded from the
- 23 capital cost allowance additions for the year. Hydro Ottawa has also estimated its
- 24 SR&ED tax credits for these years. This practice is consistent with prior years and Hydro
- 25 Ottawa's 2021-2025 Approved Settlement Agreement.³
- 26

³ Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2019-0261 (September 18, 2020).

10. PILS VARIANCES

Details of the actual taxes paid by Hydro Ottawa from 2020-2023, as well as the forecasted taxes to be paid for 2024 and 2025, are summarized in Table 5 below. Grossed Up PILS for the 2026-2030 Test Years can be found in Table 6 below.

A copy of the most recent Federal and Provincial tax return is appended to this Schedule as Attachment 6-2-1(A) - 2023 Tax Return. As per the Chapter 2 Filing Requirements, confidential personal information contained within the SR&ED return has been redacted.

Table 5 AS ORIGINALLY SUBMITTED – Corporate PILS Paid or Grossed Up PILS for 2020-2025 (\$'000s)

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Grossed Up	2025 Bridge Grossed Up
Income Taxes	\$ 936	\$ 2,003	\$ 806	\$ 692	\$ 4,686	\$ 7,525

Table 5 UPDATED JUNE 4, 2025 – Corporate PILS Paid or Grossed Up PILS for 2020-2025 (\$'000s)

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Grossed Up	2025 Bridge Grossed Up
Income Taxes	\$ 936	\$ 2,003	\$ 806	\$ 692	\$ 4,687	\$ 7,526

Table 6 – Grossed Up PILS for 2026-2030 Test Years (\$'000s)

	2026	2027	2028	2029	2030
Income Taxes	\$ 6,638	\$ 6,528	\$ 12,204	\$ 12,671	\$ 15,432

The decrease or increase in PILS from year to year is generally due to changes in capital additions and the associated CCA deductions available compared to the accounting depreciation. Specifically, the large increase in PILS between 2027 and 2028 is because Accelerated CCA is no longer available after 2027. Changes in regulatory net income before tax from year to year also contribute to the change in PILS from year to year.

11. RECONCILIATION TABLES FOR CAPITAL ADDITIONS AND DEPRECIATION/AMORTIZATION

NEW - Table 7 – Reconciliation of Fixed Asset Continuity Schedule Additions and Schedule 8 Capital Additions in PILS

Workforms for 2024-2030

	2024	2025	2026	2027	2028	2029	2030
Fixed Asset Total Additions (as per Appendix 2-BA)	\$120,122,027	\$123,673,535	\$202,639,701	\$277,688,486	\$289,317,777	\$196,570,122	\$212,931,238
Add : PILS Contribution Adjustment ⁴	-	-	\$5,066,000	\$4,096,000	-	-	-
Add : Capital SR&ED Tax Credits ⁵	\$1,122,000	\$956,000	\$576,000	\$839,000	\$860,000	\$695,000	\$497,000
Less : SR&ED expenses capitalized ⁶	(\$7,604,932)	(\$6,495,043)	(\$3,953,284)	(\$5,717,224)	(\$5,858,285)	(\$4,752,484)	(\$3,429,917)
Less : Land ⁷	(\$3,961,447)	(\$7,127,415)	-	(\$205,840)	(\$5,739,473)	(\$607,613)	(\$1,216,803)
PILS Workforms Schedule 8 Additions	\$109,677,648	\$111,007,077	\$204,328,417	\$276,700,422	\$278,580,019	\$191,905,025	\$208,781,518

⁴ This represents the PILS contribution adjustment which is explained in Schedule 9-1-4, section 7 and please see Table 4 in that section.

⁵ SR&ED Tax Credits are recorded as credits, included in OEB Account 2440 for accounting purposes, and depreciated over five years. Please see Table 4 of this Schedule.

⁶ This represents current year SR&ED expenditures capitalized for accounting purposes but expensed for tax purposes. SR&ED expenditures are considered current expenditures for tax purposes.

⁷ Land is not depreciable for tax purposes and not included in Schedule 8.

NEW - Table 8 – Reconciliation of Fixed Asset Continuity Schedule Depreciation and PILS Workforms Amortization for 2023-2030

	2023	2024	2025	2026	2027	2028	2029	2030
Fixed Asset Depreciation (as per Appendix 2-BA)	\$55,661,147	\$58,787,834	\$61,935,738	\$67,205,474	\$75,391,956	\$82,256,307	\$88,364,278	\$94,410,474
Add : Capital SR&ED Tax Credits Amortization ⁸	\$229,861	\$286,591	\$389,861	\$446,104	\$438,891	\$436,151	\$483,300	\$542,901
Add : PILS Contribution Adjustment Amortization ⁹	-	-	-	\$70,361	\$197,611	\$254,500	\$254,500	\$254,500
Add: Non Rate-Regulated Utility Assets Amortization ¹⁰	\$408,418	-	-	-	-	-	-	-
Add: Non-rate Base Assets Amortization/Transfer ¹¹	\$62,159	-	-	-	-	-	-	-
PILS Workforms Amortization¹²	\$56,361,585	\$59,074,425	\$62,325,599	\$67,721,939	\$76,028,458	\$82,946,958	\$89,102,078	\$95,207,875

⁸ This represents the amortization of SR&ED tax credits over 5 years, see footnote 5 of this Schedule for further details.

⁹ This represents the amortization of the PILS contribution adjustment, which is explained in Schedule 9-1-4 section 7 and see also Table 7 in this same section footnote 4.

¹⁰ This represents the amortization on non rate regulated utility assets which are included for tax return purposes.

¹¹ This represents the amortization and transfer on non-rate base assets which are included for tax return purposes.

¹² See Table 9 below for a breakdown of the Reconciliation of PILS Amortization to 2023 Tax Return & Tab H1

1
2 **NEW - Table 9 - Reconciliation PILS Amortization from Table 8 to 2023 Tax Return & Tab H1**

Reconciliation PILS Amortization from Table 8 to 2023 Tax Return & Tab H1	2023
Amortization of tangible assets (as per 2023 tax return & Tab H1)	\$ 55,441,000
Amortization of intangible assets (as per 2023 tax return & Tab H1)	\$ 8,646,000
Deferred revenue amortization (as per 2023 tax return & Tab H1)	\$ (7,725,415)
Amortization as per Table 8 reconciliation	\$ 56,361,585

3

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Hydro Ottawa Limited/Hydro Ottawa Limitee



Canada Revenue Agency
Agence du revenu du Canada

Code 1901

Scientific Research and Experimental Development (SR&ED) Expenditures Claim

Use this form:

- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

To claim an ITC, use either:

- Schedule T2SCH31, Investment Tax Credit – Corporations; or
- Form T2038(IND), Investment Tax Credit (Individuals).

The information requested in this form and documents supporting your expenditures and project information (Part 2) are prescribed information. In Part 6, a new box is added: Box 758 that must be filled if traditional method is used. The information is required for tax year ends after 2020 and optional for tax year ends before 2021.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, Guide to Form T661, which is available on our website: canada.ca/taxes-sred.

Part 1 – General information

010 Name of claimant	Enter one of the following:	
Hydro Ottawa Limited/Hydro Ottawa Limitee	<div>Business number (BN)</div>	
Tax year	<div>Social insurance number (SIN)</div>	
From 2023-01-01 to 2023-12-31 Year Month Day Year Month Day		
050 Total number of projects you are claiming this tax year:		
5		
100 Contact person for the financial information	105 Telephone number/extension	110 Fax number
Bettina Yau	(613) 738-5499	(613) 738-5486
115 Contact person for the technical information	120 Telephone number/extension	125 Fax number
Bettina Yau	(613) 738-5499	

151 If this claim is filed for a partnership, was Form T5013 Partnership Information Return filed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If you answered no to line 151, complete lines 153, 156 and 157.		
153	156	157
Names of the partners	%	BN or SIN
1		
2		
3		
4		
5		

Part 2 - Project information

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A - Project identification
200 Project title (and identification code if applicable)
See schedule

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 3 – Calculation of SR&ED expenditures

What did you spend on your SR&ED projects?

Section A – Select the method to calculate the SR&ED expenditures

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITC) for this tax year.
I understand that my election is irrevocable (cannot be changed) for this tax year.

160

☒

I elect to use the proxy method
(Enter "0" on line 360 and complete Part 5.)

162

☐

I choose to use the traditional method
(Enter "0" on line 502. Complete line 360.)

Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)

• SR&ED portion of salary or wages of employees directly engaged in the SR&ED:

a) Employees other than specified employees for work performed in Canada

300

+

2,025,022

b) Specified employees for work performed in Canada

305

+

Subtotal (add lines 300 and 305)

306

=

2,025,022

c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)

307

+

d) Specified employees for work performed outside Canada (subject to limitations – see guide)

309

+

• Salary or wages identified on line 315 in prior years that were paid in this tax year

310

+

• Salary or wages incurred in the year but not paid within 180 days of the tax year end

315

• Cost of materials consumed in performing SR&ED

320

+

• Cost of materials transformed in performing SR&ED

325

+

• Contract expenditures for SR&ED performed on your behalf:

a) Arm's length contracts

340

+

3,383,701

b) Non-arm's length contracts

345

+

• Overhead and other expenditures (enter "0" if you elected to use the proxy method at line 160)

360

+

• Third-party payments (complete Form T1263*)

370

+

Total allowable SR&ED expenditures (add lines 306 to 370; do not add line 315)

380

=

5,408,723

If the above expenditures have been included in your income statement, enter this amount on line 118 of Schedule T2SCH1 or, if you are an individual, include this amount in your self-employment income (lines 135 to 143) reported on your individual income tax and benefit return.

Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)

Amount from line 380

420

5,408,723

Deduct

• provincial government assistance for expenditures included on line 380

429

–

150,981

• other government assistance for expenditures included on line 380

431

–

• non-government assistance for expenditures included on line 380

432

–

• SR&ED ITCs applied and/or refunded in the prior year (do not include ITCs allocated from a partnership)

435

–

571,965

• sale of SR&ED capital assets and other deductions

440

–

Subtotal (line 420 minus lines 429 to 440)

442

=

4,685,777

Add

• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool

445

+

• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)

450

+

494,149

• SR&ED expenditure pool transfer from amalgamation or wind-up

452

+

• amount of SR&ED ITC recaptured in the prior year

453

+

Amount available for deduction (add lines 442 to 453)

455

=

5,179,926

(enter positive amount only, include negative amount in income)

• Deduction claimed in the year

460

–

(Corporations should enter this amount on line 411 of schedule T2SCH1)

Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)

470

=

5,179,926

* Form T1263, Third-Party Payments for Scientific Research and Experimental Development (SR&ED)

T661 E (20)

CORPORATE TAXPREP / TAXPREP DES SOCIÉTÉS - GE11 VERSION 2024 V1.0

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Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes (to the nearest dollar)

The resulting amount is used to calculate your refundable and/or non refundable ITC.

Total allowable SR&ED expenditures (from line 380)	492		5,408,723
Add			
• payment of prior years' unpaid amounts (other than salary or wages) (see note 1)	500	+	
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502	+	1,085,505
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508	+	
Subtotal (add lines 492 to 508)	511	=	6,494,228
Deduct			
• provincial government assistance	513	–	188,974
• other government assistance	515	–	
• non-government assistance and contract payments	517	–	
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end (see note 1)	520	–	
• 80% of the amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier	528	–	
• 20% of the amount on lines 340 and 370	529	–	676,740
• prescribed expenditures not allowed by regulations (see guide)	530	–	
• other deductions (see guide)	533	–	
• non-arm's length transactions			
– assistance allocated to you (complete Form T1145*)	538	–	
– expenditures for non-arm's length SR&ED contracts (from line 345)	541	–	
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542	–	
– qualified expenditures you transferred (complete Form T1146**)	544	–	
Qualified SR&ED expenditures (line 511 minus lines 513 to 544)	559	=	5,628,514
Add			
• repayments of assistance and contract payments made in the year	560	+	
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)	570	=	5,628,514

* Form T1145, Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length

** Form T1146, Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length

Note 1 – For arm's length contracts, only include 80% of the contract amount.

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Part 5 – Calculation of prescribed proxy amount (PPA)

A notional amount representing your overhead and other expenditures.

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162). You can only claim a PPA if you elected to use the proxy method for the year in Part 3 (line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in Section B.

Section A – Salary base

Salary or wages of employees other than specified employees (from lines 300 and 307)810 +2,025,022

Deduct

Bonuses, remuneration based on profits, and taxable benefits that were included on line 810812 -51,376

Subtotal (line 810 minus 812)814 =1,973,646

Salary or wages of specified employees

850	852	854	856	858	860
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Name of specified employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits (to the nearest dollar)	% of time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	2,5 x A x B/365 A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less
(Enter total of column 6 on line 816)					816 +

Section B – Prescribed proxy amount (PPA)

Enter55 % of the salary base (line 818)820 =1,085,505

Enter the amount from line 820 on to line 502 in Part 4 unless the overall cap on PPA applies to you. (See the guide for explanation and example of the overall cap on PPA)

Part 6 – Project costs

Information requested in this part must be provided for all SR&ED projects claimed in the year. Expenditures should be recorded and allocated on a project basis.

* For Box 758, the information is required for tax year ends after 2020 and optional for tax year ends before 2021.

750	752	754	756	758
Project title or identification code	Salary or wages in the tax year	Cost of materials in the tax year	Contract expenditures for SR&ED performed on your behalf in the tax year	Overhead and other expenditures in the tax year*
	(Total of lines 306 to 309)	(Total of lines 320 and 325)	(Total of lines 340 and 345)	(total of line 360, if applicable)
12023-01 Advancements in Grid Infrastructure Design	715,215		1,478,393	
22023-02 Data Mapping Techniques for Usage Computation	380,220		852,851	
32022-04 Advancements in System Integration Techniques	155,624		605,235	
42022-01 Advancements in Smart Grid Reliability	345,579		400,000	
52022-03 Integration Methods for Performant & Secure System	428,384		47,222	
Total	2,025,022		3,383,701	

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Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 380 minus lines 307, 309, 340, 345, and 370)		605	2,025,022
From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.			
		Canadian (%)	Foreign (%)
Internal	600	100.000	
Parent companies, subsidiaries, and affiliated companies	602		604
Federal grants (do not include funds or tax credits from SR&ED tax incentives)	606		
Federal contracts	608		
Provincial funding	610		
SR&ED contract work performed for other companies on their behalf	612		614
Other funding (e.g., universities, foreign governments)	616		618

For statistical purposes indicate whether the work you performed falls within the realm of Basic or Applied research (to advance scientific knowledge) or Experimental development (to achieve a technological advancement):

620

☐ Basic or Applied research

622

☒ Experimental development

Enter the number of SR&ED personnel in full-time equivalents (FTE):

Scientists and engineers	632	11
Technologists and technicians	634	3
Managers and administrators	636	4
Other technical supporting staff	638	

Part 8 – Claim checklist

To ensure your claim is complete, make sure you have:

1.

used the current version of this form

X

2.

entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3

X

3.

completed Part 2 for each project

X

4.

filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures

X

5.

filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable

X

To expedite the processing of your claim, make sure you have:

1.

completed Form T2, Corporation Income Tax Return or Form T1, Income Tax and Benefit Return

X

2.

filed the appropriate provincial and/or territorial tax credit forms, if applicable

X

3.

retained documents to support the SR&ED work performed and SR&ED expenditures you claimed

X

4.

checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31

X

* Form T1145, Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length

** Form T1146, Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length

*** Form T1174, Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)

**** Form T1263, Third-Party Payments for Scientific Research and Experimental Development (SR&ED)

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 9 – Claim preparer information

Information requested in this part must be provided for each claim preparer that has accepted consideration to prepare or assist in the preparation of this SR&ED claim. Certification is required on lines 935, 970, and 975.

A \$1,000 penalty may be assessed if the information requested below about the claim preparer(s) and billing arrangement(s), is missing, incomplete, or inaccurate. Where a claim preparer has prepared or assisted in the preparation of this SR&ED form, the claimant and the claim preparer will be jointly and severally, or solidarily, liable for the penalty.

935 Was a claim preparer engaged in any aspect of the preparation of this SR&ED claim?

- ☒ Yes (complete the claim preparer information table and lines 970 and 975 below)
- ☐ No (complete lines 970 and 975)

Claim preparer information table

940	945	950	955	960	965
Name of claim preparer (company or individual)	Business number	Billing arrangement code (see codes below*)	Billing rate (percentage, hourly/daily rate or flat fee)	Other billing arrangement(s) (Maximum 10 words)	Total fee paid, payable, or expected to pay
1. KPMG LLP		1	16.50		169,988
Total					169,988

* Billing arrangement codes

Code	Type of billing arrangement
1	Contingency fee arrangement – where the fee is based on a percentage of the investment tax credit earned
2	Hourly rate
3	Daily rate
4	Flat fee arrangement (lump sum)
5	Other arrangements – describe the arrangement in box 960 in 10 words or less

970 I, Geoff Simpson, certify that the information provided in this part is complete

Name of authorized signing officer of the corporation, or individual (print)
and accurate.



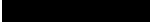
Signature

975 2024-06-19


Year Month Day

2023-12-31

Hydro Ottawa Limited/Hydro Ottawa Limitee



Part 10 – Certification

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.		
165	Geoff Simpson	
	Name of authorized signing officer of the corporation, or individual	
		170
	Signature	2024-06-19
		Date
175	KPMG LLP	
	Name of person/firm who completed this form	

Privacy Notice

Personal information is collected pursuant to subsections 37(1), 37(11), and 162(5.1) of the Income Tax Act (the Act) and is used for verification of compliance, administration and enforcement of the Scientific Research and Experimental Development (SR&ED) program requirements.

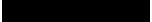
Information may also be used for the administration and enforcement of other provisions of the Act, including assessment, audit, enforcement, collections, and appeals, and may be disclosed under information-sharing agreements in accordance with the Act. Incomplete or inaccurate information may result in assessment of monetary penalties and delays in processing SR&ED claims.

The social insurance number is collected pursuant to section 237 of the Act and is used for identification purposes.

Refer to Personal Information Bank CRA PPU 441 in the Canada Revenue Agency (CRA) Information about Programs and Information Holdings – Personal Information Banks – Canada.ca. Under the Privacy Act, individuals have a right of access to, protection, and correction of their personal information and to file a complaint with the Privacy Commissioner of Canada regarding our handling of their personal information.

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Attached Schedule with Total

Prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)

Title Prior year's pool balance of deductible SR&ED expenditures (from line 470 of

Description	Operator (Note)	Amount
Increase in SR&ED Pool from 2020 amended tax return	+	494,149 00
	+	
	Total	494,149 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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Hydro Ottawa Limited/Hydro Ottawa Limitee

Project number 1

CRA internal form identifier 060

Code 1901

Part 2 – Project information (continued)

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification			
200 Project title (and identification code if applicable)			
2023-01 Advancements in Grid Infrastructure Design			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2022-09 Year Month	2024-07 Year Month	2.02.01	Electrical and electronic engineering
Project claim history			
208	<input type="checkbox"/> Continuation of a previously claimed project		210 <input checked="" type="checkbox"/> First claim for the project
218 Was any of the work done jointly or in collaboration with other businesses? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
If you answered yes to line 218, complete lines 220 and 221.			
220	Names of the businesses		221 BN
1			
2			
3			

Section B – Project descriptions	
242 What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines)	
1. While the general concepts of grid such as reliability, adaptability,	
2. resilience, and sustainability are well-established, the existing public	
3. domain knowledge and conventional engineering practices were designed for	
4. legacy systems and have not evolved significantly to address advanced cyber	
5. threats, climate change and so on.	
6. Integrating advanced monitoring systems, proactive failure detection	
7. algorithms, automated power quality control mechanisms, and system	
8. restoration capabilities into a cohesive and optimized grid management	
9. platform requires overcoming substantial technological uncertainties.	
10. Existing grid monitoring and control systems lack the sophistry and	
11. integrability required to achieve the envisioned level of real-time	
12. monitoring, predictive analytics, and automated response capabilities.	
13. Furthermore, the ability to seamlessly incorporate diverse energy generation	
14. sources, including renewable sources, while dynamically adapting to	
15. fluctuating demand patterns and maintaining grid stability presents	
16. significant challenges. The existing grid infrastructure and control systems	
17. are primarily designed for traditional centralized generation models and lack	
18. the flexibility and intelligence to effectively manage the need for	
19. transactive power delivery models.	
20. Developing robust grid resilience strategies to withstand service disruptions	
21. from system faults, cyber threats, or climate events also necessitates	
22. innovative approaches that extend beyond the current industry best practices.	
23. The existing knowledge base does not sufficiently address the complexities of	
24. hardening grid assets, implementing advanced cybersecurity measures, and	
25. developing self-healing capabilities to maintain uninterrupted service in the	
26. face of various disruptions. Moreover, the objective of engaging and	
27. empowering customers through transactive models embodying the assimilation of	
28. real-time data, efficient billing, and energy management tools requires the	
29. development of advanced metering infrastructure, data management systems, and	
30. user interfaces that are not fully mature in the current grid technological	
31. landscape.	
32. The formulation of a comprehensive strategy encompassing physical	
33. infrastructure, sensing and measurement, data analytics, and control and	
34. optimization systems for grid modernization involves numerous technological	

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242	What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines)
35.	uncertainties that cannot be adequately resolved through the application of
36.	existing public domain knowledge alone. Systematic research, experimentation,
37.	and the development of novel technologies and methodologies are essential to
38.	overcome these limitations and achieve the objectives of HOL's grid
39.	modernization project.

244	What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (Maximum 100 lines)
1.	Physical infrastructure:
2.	The key activity was to thoroughly analyze the distributed energy resources
3.	(DERs), electric vehicles (EVs), and vulnerability distribution asset (VDA)
4.	sub-components present in the electric grid. To address the high load growth
5.	on the grid due to the rapid growth of EV sector, HOL plans to carry out a
6.	detailed study in the upcoming FYs to understand the current penetration and
7.	long-term forecast of electric vehicles at both the overall distribution
8.	system level and at substation, feeder, and local loop levels. Periodic load
9.	forecast of EV chargers, and their impact on grid capacity will subsequently
10.	be used for system planning. For the DER study, a variety of DER grid
11.	resources (premium power backup power, peak shaving etc.) will be analyzed in
12.	the upcoming FYs. The benefits of these use cases will be quantified against
13.	distribution system upgrades (e.g., substations and new circuits). Based on
14.	this, an asset management procedure will be implemented in DERMS (Distributed
15.	Energy Resource Management System) to enhance real-time monitoring and
16.	control, reliability, demand response and load balancing, and grid
17.	optimization.
18.	Sensing and Measurement:
19.	Advanced Metering Infrastructure (AMI) and Sensors sub-components will be
20.	considered for this study. Data collected from smart meters will be used to
21.	identify energy consumption patterns and will be used for energy-saving
22.	recommendations to the end users. In the next FY, HOL also plans to integrate
23.	"AMI 2.0" with Advanced distribution management system (ADMS) applications to
24.	enhance grid management (time and location of an outage, number of customers
25.	affected, outage duration, and the amount of power lost (kVA)), which will be
26.	useful in identifying the outage scale and area and to improve the outage
27.	restoration time. This will support faster fault detection and localization,
28.	voltage regulation, and potential avoidance of system failure, while
29.	accurately monitoring real-time load profiles and detect peak demand.
30.	Communication:
31.	Communication protocols are necessary to enhance the field area network (FAN)
32.	capabilities to allow seamless integration of AMI 2.0, DERMS, and ADMS. These
33.	applications depend on real-time data and require a fast, reliable
34.	communication network with low energy consumption for data transmission.
35.	Wireless protocols in the FAN will be investigated in the next FYs to allow
36.	communication in areas not covered by the fiber network. Access mechanisms
37.	and interference management techniques will be defined for efficient and
38.	robust operation. In addition, cybersecurity techniques (including
39.	encryption, authentication, and access control) will be implemented to
40.	safeguard device communication.
41.	Data Management and Analytics:
42.	HOL plans to update the existing enterprise IT architecture in the upcoming
43.	FYs to support grid modernization initiatives and to plan for the integration
44.	of core systems such as ADMS, EAM, GIS, and ERP. The updated design will
45.	account for concerns related to breach detection, incident management, remedy
46.	implementation plans, and cybersecurity tactics. These functionalities will
47.	help regularly monitor risks and continuously improve the system in response
48.	to changes in the operational environment.
49.	Control and Optimization:
50.	HOL plans to implement and integrate Fault Location Isolation and Service

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244	What work did you perform in the tax year to overcome the scientific or technological uncertainties descr bed in line 242? (Summarize the systematic investigation or search) (Maximum 100 lines)
51.	Restoration (FLISR), Advanced Distribution Management System (ADMS), and
52.	Distributed Energy Resource Management System (DERMS) in the upcoming FYs. To
53.	initiate the FLISR implementation, HOL will identify the pilot feeder for the
54.	proof of concept. For choosing a pilot feeder, the current feeder KPIs, the
55.	availability of capacity in the adjacent feeders, existing devices and their
56.	condition, existing protection philosophy, availability of communication
57.	infrastructure and the operational criticality of the feeder will be
58.	considered.
59.	In FY23, HOL realized that the replacement of the current Outage Management
60.	System (OMS) with an ADMS integrated OMS will enhance grid reliability. The
61.	plan is to migrate all Outage Management processes currently housed in the
62.	Outage Management System to ADMS integrated OMS. In some cases, offline or
63.	asymmetrical processes to a converged platform where SCADA, Schematics, Power
64.	Flow, Switch Order Management (SOM) and FLISR (Fault Location Isolation
65.	Service Restoration) will be unified. Furthermore, a new Class "A" instance
66.	for Boomi will be introduced to exclusively host the interfaces for ADMS.
67.	Boomi will be the pathway in and out of the system (except some systems that
68.	require direct connection) and is expected to host at least 11 interfaces.
69.	System Operators and Field Crews use electronic maps/schematics (supported by
70.	"P-Tech" application) to manage the Hydro Ottawa grid on a daily basis. Its
71.	lack of integration with other systems such as OMS and SCADA forces users to
72.	repeat tasks in order to keep all records up to date. This is critical during
73.	large outages when important data has to be updated in a short amount of
74.	time, therefore creating issues in communicating an accurate power
75.	restoration ETA to our customers. This will require replacing "P-Tech" with
76.	the DMS Schematics module, fully integrated with SCADA and with OMS in FY2024
77.	to minimize manual operations in the control room.

246	What scientific or technological advancements did you achieve or attempt to achieve as a result of the work descr bed in line 244? (Maximum 50 lines)
1.	The work performed in FY2023 represents a technological advancement in the
2.	field of electrical engineering.
3.	Grid modernization aims at transforming the electric distribution system into
4.	a more reliable, resilient, flexible, and intelligent grid that effectively
5.	meets the evolving demands and expectations of customers. In contrast to
6.	traditional distribution capital rebuilds for reliability enhancement and
7.	capacity expansion, this transformation will allow the integration of
8.	advanced technologies (e.g., ADMS, DERMS, AMI), innovative operational
9.	practices (e.g., Non wires alternative, Climate Adaptation and Vulnerability
10.	Assessment), and data-driven decision-making (e.g., predictive maintenance).
11.	Through this project, HOL developed an understanding of how to develop the
12.	strategic actions needed to recognize its grid modernization plan and ensure
13.	it is well prepared to address both long-standing and emerging challenges
14.	while meeting the ever-evolving expectations of its customers.

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Section C – Additional project information

Who prepared the responses for Section B?

253	<input type="checkbox"/> Employee directly involved in the project	254	Name
255	<input type="checkbox"/> Other employee of the company	256	Name
257	<input checked="" type="checkbox"/> External consultant	258	Name
			KPMG LLP
		259	Firm
			KPMG LLP

List the key individuals directly involved in the project and indicate their qualifications/experience.

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		[REDACTED]
2	[REDACTED]		[REDACTED]
3	[REDACTED]		[REDACTED]

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

If you answered **yes** to line 267, complete lines 268 and 269.

268	Names of individuals or companies	269	BN
1	Hatch Ltd.		[REDACTED]
2	Black & Veatch Canada Company		[REDACTED]
3	Intergraph Canada Ltd.		[REDACTED]
4	K2 Enterprise Security Inc.		[REDACTED]
5			

What evidence do you have to support your claim? (Check any that apply)

You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270	<input type="checkbox"/> Project planning documents	276	<input checked="" type="checkbox"/> Progress reports, minutes of project meetings
271	<input checked="" type="checkbox"/> Records of resources allocated to the project, time sheets	277	<input checked="" type="checkbox"/> Test protocols, test data, analysis of test results, conclusions
272	<input type="checkbox"/> Design of experiments	278	<input type="checkbox"/> Photographs and videos
273	<input type="checkbox"/> Project records, laboratory notebooks	279	<input type="checkbox"/> Samples, prototypes, scrap or other artefacts
274	<input checked="" type="checkbox"/> Design, system architecture and source code	280	<input checked="" type="checkbox"/> Contracts
275	<input type="checkbox"/> Records of trial runs	281	<input type="checkbox"/> Others, specify
		282	

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Part 2 – Project information (continued)

Project number 2

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification			
200 Project title (and identification code if applicable)			
2023-02 Data Mapping Techniques for Usage Computation			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
2022-10 Year Month	2024-06 Year Month	1.02.02	Information technology and bioinformatics (Software
Project claim history			
208	<input type="checkbox"/> Continuation of a previously claimed project		210 <input checked="" type="checkbox"/> First claim for the project
218 Was any of the work done jointly or in collaboration with other businesses? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
If you answered yes to line 218, complete lines 220 and 221.			
220	Names of the businesses		221 BN
1			
2			
3			

Section B – Project descriptions	
242 What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines)	
1. Hydro Ottawa (or "HOL") sought to develop methods to extend the capabilities	
2. of its customer billing engine. This was necessary to facilitate the account	
3. billing under a newly introduced pricing plan, termed as Ultra Low Overnight	
4. time of use (ULO), which was set to be implemented by the Ontario Energy	
5. Board (OEB) by November 1, 2023, in addition to the existing tiered and TOU	
6. (time of use) billing options. Given that a number of sub-systems (such as	
7. Meter Data Management (MDM/R), CC&B, Savage, ODI, Boomi etc.) were involved	
8. in this computational billing process, the challenge was in seamlessly	
9. switching the consumption data collection process and eliminating any data	
10. quality issues in Savage data. In addition, it was also necessary to update	
11. the lifecycle functionalities and interface parameters for streamlining the	
12. billing and rate change operations across its web platforms. Systematic	
13. investigations were necessary to determine how to develop a method that could	
14. seamlessly allow customers to switch between any pricing plans that are	
15. available, while effectively calculating the billing based on the pricing	
16. plan that was selected.	
17.	
18. In parallel to this initiative, HOL also focused its efforts on delivering	
19. similar billing alternatives to net-metering accounts (generate renewable	
20. power and receive credit for excess power supplied to the grid). As the	
21. existing practice was to offer only "tiered", the objective was to also	
22. include, "TOU" & "ULO" charge rates along with the existing rate option. As	
23. currently the billing operations were performed using the consumption and	
24. generation register reads, challenge was in establishing seamless and secure	
25. data channels to and from the MDM/R sub-system. This was necessary as the	
26. MDM/R database used the hourly interval data required for calculating the	
27. billing determinants in each billing class. Furthermore, given the expected	
28. future increase in the net-metering account base, challenge was also in	
29. supporting such multi-parameter billing transactions in a performant and	
30. automated manner.	
31. The Customer Care and Billing (CC&B) module is responsible for handling all	
32. customer serving billing and data transactions. Furthermore, it validates and	
33. processes customer choices with regards to their account-level billing	
34. changes and payment requests. Given the varied customer account classes and	

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242	What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines)
35.	charge plans, challenge was in isolating the change events across the billing
36.	channels. Systematic investigations were required to determine if this could
37.	be successful.

244	What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (Maximum 100 lines)
1.	The primary objective was to restructure the customer billing platform for it
2.	to accommodate a new pricing model (Ultra low overnight-ULO time of use).
3.	This involved enabling low volume customers (residential and small
4.	commercial) to opt into this pricing plan while still retaining the facility
5.	to switch back to the current "TOU" and "Tiered rate" options. To this end,
6.	initial investigations were focused on filtering and segregating the time
7.	interval data from the MDM/R database for it to be processed by the internal
8.	billing engine. It was proposed that the MDM/R will process the hourly meter
9.	read data and store it based on the framing Structure (using the hourly time
10.	period the interval occurred). The framing structure was designed to be
11.	automatically updated through "rate optionality" attribute. Once a Billing
12.	Quantity (BQ) was requested for the service period required, the MDM/R would
13.	provide the BQ response in the way the data was stored (based on the framing
14.	Structure). Furthermore, data synchronization procedures were implemented to
15.	remodel the existing data channels and avoid any data gaps. Whenever an
16.	endpoint switches to "ULO", an "incremental synchronization (Isync)" was sent
17.	to the MDM/R & savage data system with the changes in commodity rate class,
18.	framing structure etc. As tests were carried out, HOL noted that it is
19.	possible BQs were framed using an older/incorrect framing values depending on
20.	timing of other actions such as moves, rate optionality completion and
21.	corrections to accounts. Data validation methods were therefore introduced to
22.	address this issue. In order to view the ULO usage data and ULO bucket in
23.	Savage ODS for a customer that selects the ULO rate option, the "ODS"
24.	framework was also updated to include changes in hourly usage display,
25.	framing update etc. In addition, new changes were proposed in the "MyAccount"
26.	platform in order to display the new "TOU" bucket along with other existing
27.	rate options. Finally, at the nodal interface level, usage switch selections
28.	were introduced while satisfying the pre-defined consumption category switch
29.	criteria's (e.g. minimum billing days, permitted frequency of category
30.	change). Post these developments, HOL carried out series of comparative tests
31.	to validate the accuracy of the billing amounts under this new category.
32.	Results indicated success in efficiently delivering the new billing rate
33.	changes without impacting existing transactions.
34.	Investigations were undertaken by Hydro Ottawa to facilitate multiple new
35.	rate options for net-metering customers. Attempt was to allow for seamless
36.	transition between the disparate categories by remodeling the meter data
37.	collection and billing processes. To realize this design, effort was
38.	concentrated on enabling billing using MDM/R repository data as it rendered
39.	the hourly bucketized consumption values. This was a change from the previous
40.	method of separately sourcing the consumption and generation records for
41.	reconciliation purpose. Under the new approach, new rate schedules were
42.	designed to perform these net credit calculations. Consequently, the default
43.	billing engine settings were also revised such that it could dynamically
44.	acquire the charge rates associated with the active billing method (i.e.
45.	Tiered, TOU or ULO). Work is still ongoing on this project with work slated
46.	to complete in FY2024.
47.	In an effort to increase customer control over utility bills, Hydro Ottawa
48.	sought to develop techniques for extending the capabilities of its CC&B
49.	module. This proved necessary especially given the new charge plans and rate
50.	changes (ULO) introduced for residential and net-metering customers. At the
51.	residential account level, for any switch to the ULO rates, logic structures
52.	were developed for first recording and then mapping the effective change date

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244	What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (Maximum 100 lines)
53.	as provided by the account user. This was essential to eliminate any manual
54.	sync actions and billing delays impacting the final charge amounts.
55.	Furthermore, the MIMO (Move in Move Out) default profiles were updated to
56.	enable ULO rate selection. For the net-metering services, CC&B changes were
57.	essential for ensuring increased visibility into both the generated and
58.	retained electricity credits. Additionally, integration techniques were
59.	applied to link the rate election process with the "MyAccount" application
60.	which removed manual processing of previous such requests. Moreover, any
61.	process overheads in the nodal interface components were eliminated which
62.	eventually enabled HOL to attain a scalable and performant design.

246	What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (Maximum 50 lines)
1.	The work performed in FY2023 represents a technological advancement in the
2.	field of electrical IT systems. The project contributed to following
3.	advancements:
4.	HOL successfully developed techniques for enabling usage billing under a new
5.	rate category ULO (Ultra Low Overnight TOU). To realize this design,
6.	methods were developed to effectively capture the smart meter data records
7.	and seamlessly coordinate the data between various subsystems to ensure data
8.	consistency for billing purposes. Additionally, for net-metering accounts,
9.	new data channels were established to the MDM/R database for providing
10.	billing under both TOU and ULO categories. On completion, HOL would be
11.	successful in replacing the manual error ridden credit calculation process
12.	with an automated design that accurately computed the available funds for
13.	each net-metering customer.
14.	Hydro Ottawa was also successful in advancing its multi-party billing and
15.	credit-collection platform through development of automated customer serving
16.	components.

Section C – Additional project information			
Who prepared the responses for Section B?			
253	<input type="checkbox"/> Employee directly involved in the project	254	Name
255	<input type="checkbox"/> Other employee of the company	256	Name
257	<input checked="" type="checkbox"/> External consultant	258	Name
			KPMG LLP
259	Firm		KPMG LLP
List the key individuals directly involved in the project and indicate their qualifications/experience.			
260	Names	261	Qualifications/experience and position title
1			
2			
3			
265	Are you claiming any salary or wages for SR&ED performed outside Canada?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

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Hydro Ottawa Limited/Hydro Ottawa Limitee

[REDACTED]

If you answered yes to line 267, complete lines 268 and 269.		
268	Names of individuals or companies	269 BN
1	IBM Canada Ltd	[REDACTED]
2		

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270

☐

Project planning documents

271

☒

Records of resources allocated to the project, time sheets

272

☐

Design of experiments

273

☐

Project records, laboratory notebooks

274

☒

Design, system architecture and source code

275

☐

Records of trial runs

276

☒

Progress reports, minutes of project meetings

277

☒

Test protocols, test data, analysis of test results, conclusions

278

☐

Photographs and videos

279

☐

Samples, prototypes, scrap or other artefacts

280

☒

Contracts

281

☐

Others, specify **282**

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 2 – Project information (continued)

Project number 3

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification			
200 Project title (and identification code if applicable)			
2022-04 Advancements in System Integration Techniques			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
<div>2021-05</div> <div>Year Month</div>	<div>2024-06</div> <div>Year Month</div>	1.02.02 Information technology and bioinformatics (Software	
Project claim history			
208 <input checked="" type="checkbox"/> Continuation of a previously claimed project 210 <input type="checkbox"/> First claim for the project			
218 Was any of the work done jointly or in collaboration with other businesses? <div>Yes</div> <input checked="" type="checkbox"/> No			
If you answered yes to line 218, complete lines 220 and 221.			
220	Names of the businesses		221 BN
1			
2			
3			

Section B – Project descriptions

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242 What scientific or technological uncertainties did you attempt to overcome?
(Maximum 50 lines)

1.	Hydro Ottawa (HOL or "the company") sought to improve its existing legacy and
2.	dependency ridden "reliability database" module to ensure data consistency
3.	and availability. The current design was setup to store all the outage data
4.	and operational data logs within the database tables. HOL internal users
5.	would then poll this data to track outage events and address the outages
6.	effectively in order to maintain grid reliability. However, in the recent
7.	years the expansion of the distribution network led to an increase in the
8.	system nodal users, thus the associated voluminous data records presented
9.	significant challenges. Firstly, data corruption and integrity issues were
10.	identified due to inability of the system to isolate individual user
11.	sessions. This caused inconsistencies in the system critical outage data
12.	records and often stale data reads. Secondly, the database suffered from
13.	degradation in performance given the rapid increase in the volume of data
14.	records ingested into the system. Finally, data security was a major
15.	challenge as the current data model lacked the capability to enforce user
16.	role-based data manipulation restrictions. To address these issues, HOL's
17.	initial strategy was to update the current design with a complete end to end
18.	enterprise solution. However, given the immediate requirement to improve the
19.	design coupled with the additional effort need to integrate a large
20.	enterprise framework, attempt was to remodel the existing architecture.
21.	Systematic investigations were required to determine if this could be
22.	successful.
23.	HOL also sought to develop techniques for aggregating multi-system data and
24.	streaming the reporting procedures for further analysis. Each utility
25.	component usually connects to different external platforms for supporting
26.	multiple customer level transactions. For large distribution networks such as
27.	HOL, it was important to process this data and discover unique patterns to
28.	further improve on the service delivery. To this end, focus was on ingesting
29.	and manipulating the raw data as received from external communication service
30.	providers. However, this data is often rendered in baseline CSV formats, thus
31.	the data manipulation functions prove to be highly inefficient. Furthermore,
32.	as these third-party channels talk to the utility system in isolation, the
33.	data is often fragmented and cannot be readily merged with the other system
34.	data. Therefore, HOL was uncertain if holistic data views could be generated.

244 What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242?
(Summarize the systematic investigation or search) (Maximum 100 lines)

1.	The primary objective for HOL was to construct an improved framework for the
2.	system database that supported critical grid operations including outage
3.	management. Key was to overcome the data inconsistencies and reliability
4.	issues resulting from tremendous increase in the stored data size and system
5.	users. To this end, investigations were carried out in implementing a locking
6.	mechanism to prevent crosstalk across user sessions. For the multi-threaded
7.	system, such data synchronization procedures enforce limit on access of
8.	shared database tables and eventually prevent inaccurate data reads. However,
9.	upon initial review, HOL noted the inability of the current codebase in
10.	permitting execution of such asynchronous transactions given its legacy
11.	design and poor maintenance artifacts. To address this issue, focus then
12.	shifted to rearchitecting the complete database backend. A low-code
13.	application development platform (Oracle APEX) was implemented for this
14.	purpose given its inter-operability with the other interfacing modules.
15.	Initial iterations then involved analyzing the existing database design and
16.	building the requirement set for the new code platform while still retaining
17.	the schema structure. To address the concurrency problem, attempt was to
18.	redefine the user role definitions and implement strict authorization
19.	procedures. To overcome the performance bottlenecks, HOL focused on
20.	identifying and removing any data overheads and code redundancies. This
21.	reduced the ingestion timelines and allowed for faster processing of incoming

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244	What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (Maximum 100 lines)
22.	data. Additionally, given the significance of the outage data and security
23.	challenges, an on-premises solution was developed. This also ensured
24.	availability of data during unexpected scenarios and system failures.
25.	Finally, ETL procedures were also developed to transport the historical data
26.	from the old storage to the destination database. Testing and release
27.	activities will be completed before the project completion in 2024.
28.	Another major initiative for HOL was to seamlessly integrate the GIS
29.	(Geographical Information System), OMS (Outage Management System) and real-
30.	time Outage mapping solution (Kubra) for improved outage services. The
31.	existing outage map service suffered from legacy issues leading to inaccurate
32.	description of outage zones and moreover it did not scale well for increased
33.	loads under outage conditions. To address this problem, investigations were
34.	conducted to develop data filtering techniques that identified the redundant
35.	and corrupted data records from the data fed to the Kubra database.
36.	Additionally, data transformations were carried out to the GIS and OMS sub-
37.	system data such that it could be readily ingested into the Kubra pipeline.
38.	Subsequent to these integration efforts, HOL was successful in delivering
39.	precise outage maps to the affected customers while also strengthening its
40.	peak load handling capacity. Following this, HOL also sought to integrate a
41.	new outage communication tool with its CIS (Customer Information System) and
42.	CCB (Customer Care & Billing) repositories. This was to enable delivery of
43.	outage alerts in a real-time fashion particularly as customer registration on
44.	the notification platform increases exponentially right after an outage
45.	event. This required building data channels for extracting the customer
46.	metadata from the repositories and storing it in the notification tool.
47.	Instead of implementing a batch model for the push and pull operations,
48.	techniques were developed for performing instant data retrieval for serving
49.	the latest outage updates. Through these methods, HOL was able to
50.	successfully notify the outage events to public in a quick and reliable
51.	manner.
52.	Hydro Ottawa sought to derive service metrics and insights from its customer
53.	call management system such that the service standards could be improved.
54.	Focus was on processing the nodal system provided raw data for detecting
55.	patterns in the call drop rates, peak load periods and call duration. As
56.	disparate external platforms were utilized for performing the different call
57.	operations, attempt was to correlate the metadata from the various nodal
58.	communication systems. First, the incoming data was converted into a common
59.	data format for it to be accepted by the shared database. Next, an automated
60.	data pipeline was established for channeling the metadata from each service
61.	call in a seamless manner. Such an automated model was necessary to
62.	efficiently handle the voluminous data generated from series of service calls
63.	completed each day by the utility. Eventually, the restructured data was then
64.	processed to produce consolidated data reports to visualize the different
65.	service call statistics. Additionally, analytical tools were utilized for
66.	exposing any inherent data patterns. Post these design changes, multiple
67.	performance tests were conducted by HOL using a sample dataset and the final
68.	results were found to be satisfactory.

246	What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (Maximum 50 lines)
1.	The work performed in FY2023 represents a technological advancement in the
2.	field of electrical IT systems. The project contributed to following
3.	advancements:
4.	Hydro Ottawa was successful in overcoming the data consistency and
5.	reliability issues as prevalent in a legacy and deprecated database design.
6.	The techniques were useful to architect the backend architecture as
7.	associated with the database have allowed the utility to improve the database
8.	performance and eliminate security challenges. Moreover, HOL gained new

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9.	knowledge in handling and maintaining critical system data especially as
10.	relating to outage events.
11.	Furthermore, the multiple integration designs were developed for associating
12.	the data channels of various sub-systems including GIS, OMS and CIS, allowed
13.	HOL to achieve greater scalability and accuracy in its outage data reporting.
14.	In parallel to this initiative, successful integration of a third-party
15.	notification engine, enabled the team to deliver real-time outage alerts in a
16.	scalable fashion to the impacted utility customers.
17.	Hydro Ottawa advanced the understanding of how to process multi-system data
18.	to generate critical insights and data patterns relating to its service
19.	delivery model. Additionally, HOL was successful at remodeling the raw data
20.	records as received from different vendor systems to produce standardized
21.	reporting structures.

Section C – Additional project information				
Who prepared the responses for Section B?				
253	<input type="checkbox"/> Employee directly involved in the project	254	Name	
255	<input type="checkbox"/> Other employee of the company	256	Name	
257	<input checked="" type="checkbox"/> External consultant	258	Name	
			KPMG LLP	
		259	Firm	
			KPMG LLP	
List the key individuals directly involved in the project and indicate their qualifications/experience.				
260	Names		261	Qualifications/experience and position title
1	[REDACTED]		[REDACTED]	
2	[REDACTED]		[REDACTED]	
3				
265	Are you claiming any salary or wages for SR&ED performed outside Canada?			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

If you answered yes to line 267, complete lines 268 and 269.			
268	Names of individuals or companies	269	BN
1	Copperleaf Technologies		[REDACTED]
2	Hatch Ltd.		[REDACTED]
3	Pythian Group		[REDACTED]

What evidence do you have to support your claim? (Check any that apply) You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.			
270	<input type="checkbox"/> Project planning documents	276	<input checked="" type="checkbox"/> Progress reports, minutes of project meetings
271	<input checked="" type="checkbox"/> Records of resources allocated to the project, time sheets	277	<input checked="" type="checkbox"/> Test protocols, test data, analysis of test results, conclusions
272	<input type="checkbox"/> Design of experiments	278	<input type="checkbox"/> Photographs and videos
273	<input type="checkbox"/> Project records, laboratory notebooks	279	<input type="checkbox"/> Samples, prototypes, scrap or other artefacts
274	<input checked="" type="checkbox"/> Design, system architecture and source code	280	<input checked="" type="checkbox"/> Contracts
275	<input type="checkbox"/> Records of trial runs	281	<input type="checkbox"/> Others, specify 282

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Part 2 – Project information (continued)

Project number 4

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification			
200 Project title (and identification code if applicable)			
2022-01 Advancements in Smart Grid Reliability			
202 Project start date	204 Completion or expected completion date	206 Field of science or technology code (See guide for list of codes)	
<div>2021-09</div> <div>Year Month</div>	<div>2024-07</div> <div>Year Month</div>	2.02.01	Electrical and electronic engineering
Project claim history			
208 <input checked="" type="checkbox"/> Continuation of a previously claimed project 210 <input type="checkbox"/> First claim for the project			
218 Was any of the work done jointly or in collaboration with other businesses? <div>Yes</div> <input checked="" type="checkbox"/> No			
If you answered yes to line 218, complete lines 220 and 221.			
220	Names of the businesses		221 BN
1			
2			
3			

Section B – Project descriptions

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Hydro Ottawa Limited/Hydro Ottawa Limitee

242 What scientific or technological uncertainties did you attempt to overcome?
(Maximum 50 lines)

1.	Hydro Ottawa Ltd (HOL) is addressing the challenge of increased load growth,
2.	attributed to the rise in electric vehicle usage, heat pump adoption and
3.	other electrical initiatives by investigating sustainable non-wired
4.	alternative solutions (alternatives to traditional electrical grid upgrades)
5.	that can be maintained over the next two decades. A feasibility study was
6.	proposed to evaluate the integration of a battery energy storage system
7.	(BESS) within the existing substation in the Kanata North region of Hydro
8.	Ottawa. This BESS was intended to provide supplementary capacity to the
9.	distribution system, charging during off-peak hours and discharging as
10.	necessary in response to the load demands in the forthcoming years. The
11.	feasibility study aimed to explore the optimal BESS solution by developing a
12.	station load model that leveraged historical data and forecasted load
13.	projections. This involved modeling various BESS integration scenarios and
14.	test cases to ascertain the most effective battery size, operating scenarios,
15.	and patterns for the recommended BESS. Additionally, the study also assessed
16.	the potential change in Greenhouse Gas (GHG) emissions. A critical aspect of
17.	this investigation was to determine whether the customer owned battery system
18.	could be a viable component in achieving the desired peak shaving solutions,
19.	thus contributing to Hydro Ottawa's long-term sustainability goals. The
20.	technological uncertainty was how to model load patterns which tend to be
21.	stochastic in nature and also the impact of integrating new technologies into
22.	the existing grid infrastructure.
23.	In FY23, HOL also sought to develop a framework for identifying the key
24.	sources of carbon emissions and developing effective carbon reduction
25.	strategies in order to achieve a Net Zero Carbon Substation design. In
26.	addition, HOL also sought to investigate how to improve transformer
27.	performance as they were the key components of a substation and contributed
28.	to operational footprint of the substation. In particular, the windings and
29.	cooling strategies used in the power transformers were examined to determine
30.	whether the efficiency could be further improved, as even small increase in
31.	efficiency could potentially yield significant energy savings. Given that the
32.	typical efficiencies for the power transformer lies within 97% to 99%, it was
33.	uncertain whether the efficiencies could be further improved, thus providing
34.	a solution to reduce carbon footprint.

244 What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242?
(Summarize the systematic investigation or search) (Maximum 100 lines)

1.	In order to perform system modeling, the load forecast and historical data
2.	were taken into consideration for generating the hourly station load data for
3.	the next 20 years. Load Forecast data from 2022 to 2041 from the Kanata
4.	substation was used for this purpose and the maximum loading at the station
5.	was considered to be 61,490kW. 8MWh, 10 MWh, 12 MWh, 14 MWh, 16 MWh, 18 MWh,
6.	20 MWh, 22 MWh, 24 MWh and 30 MWh battery sizes were used for modelling.
7.	Using the load forecasting and the maximum station loading, the below
8.	scenarios were developed to determine the best use case of a BESS asset.
9.	Installing a BESS for the Kanata Station load management: It was noted the
10.	station will exceed the Capacity + BESS in 2030 when the station load reaches
11.	64,035 kW which is 2,545 kW above the total installed capacity of 61.49 MW
12.	and 30 MWh BESS. Over a period of 20 years the maximum overage occurs 4 times
13.	and is 6,248 kW above the installed station and BESS capacity.
14.	Hydro Ottawa operates Nokia's BESS when it is not being used by Nokia for
15.	global adjustment (GA) busting purposes. In this case, the station limit will
16.	be exceeded in 2025 when the station load is 62,034 kW which is 543 kW above
17.	the threshold. During the 20-year period the maximum overage is 11,405 kW
18.	which occurs in 2041 when station load is 72,895 kW.
19.	Hydro Ottawa installs a BESS for the Kanata Station load management and
20.	operates Nokia's BESS when it is not being used by Nokia for GA busting
21.	purposes. It was noted that the station will exceed the Capacity + BESS in

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Hydro Ottawa Limited/Hydro Ottawa Limitee

244	What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (Maximum 100 lines)
22.	2030 when the station load is 64,035 kW which is 2,545 kW above the total
23.	installed capacity of 61.49 MW and 30 MWh BESS. Over a period of 20 years,
24.	the maximum overage occurs 4 times at 6,248 kW above the installed station
25.	and BESS capacity.
26.	Through the projected load forecast model, HOL concluded that the
27.	installation of a 30 MWh Hydro Ottawa owned BESS asset would provide the
28.	greatest benefit as this will delay the traditional station upgrade by 8.5
29.	years. It was not advantageous to engage battery in addition to a HOL owned
30.	asset as the deferral period for both scenarios are 8.5 years. In addition,
31.	it was observed that the expected GHG emissions (in tons of CO2) of a
32.	traditional installation over a 20-year lifetime would be 798,616. The
33.	installation of a 30 MWh BESS could potentially reduce the emissions by 3,263
34.	tons over a 20-year period.
35.	In FY23, HOL also carried out techniques to reduce the carbon impact of the
36.	project. This involved assessing the complete substation over its lifecycle
37.	and reviewing all major equipment packages and to identify viable
38.	alternatives. Embodied carbon refers to the greenhouse gas emissions arising
39.	from the manufacturing, transportation, installation, maintenance, and
40.	disposal of materials/products/equipment throughout the whole life cycle of a
41.	building or infrastructure.
42.	As major components of power transformers were analyzed, the following
43.	strategies were proved to yield significant carbon footprint savings.
44.	Transformer windings: Copper was typically used for the transformer windings.
45.	It was noted that replacing copper with Aluminum could yield significant
46.	carbon savings. Although the weight of the aluminum windings was
47.	significantly less than the copper windings, the increase in volume impacted
48.	the mass of several other design components resulting in a net increase of
49.	equipment mass and consequently the emissions associated with it. In
50.	addition, the embodied carbon content of aluminum was approximately 65%
51.	higher than copper on a mass basis.
52.	Transformer oil: Mineral oil was typically used for cooling. Bio-based
53.	alternatives such as ester oil and synthetic ester oil were identified as
54.	alternate options to reduce carbon footprint. In particular, synthetic ester
55.	oil was noted to offer superior performance based on all the key properties.
56.	By switching to ester oil-based power transformers, a potential of 14% (176
57.	tCO2e) embodied carbon savings could be achieved. This was still not
58.	implemented.
59.	Transformer foundation: It was also realized that additional carbon reduction
60.	would be further possible by redesigning the transformer foundation (with low
61.	carbon concrete mix) and oil containment (with a small fabric that would
62.	allow rainwater and snow melt to pass through, while providing continuous
63.	protection against oil spills and leaks).
64.	By the end of FY23, investigations were still ongoing with respect to other
65.	components in the substation (such as HV circuit breakers, MV gas insulated
66.	switch gear etc.) to determine the strategies for further reducing carbon
67.	footprint in the proposed net zero substation.

246	What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (Maximum 50 lines)
1.	The work performed in FY2023 represents a technological advancement in the
2.	field of electrical engineering.
3.	BESS technology was investigated as a means of serving as an additional
4.	capacity to the substation, as it could be charged during off peak hours and
5.	be discharged/operated during on peak hours. HOL advanced the understanding
6.	of performing a system modeling with different scenarios and it learned that
7.	the installing a 30 MWh BESS would be helpful to delay the overall station
8.	upgrade, while providing resiliency and peak shaving.
9.	Transformers were identified as one the key components of a substation due to

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10.	their function, but also in terms of their contribution to the embodied and
11.	operational carbon footprint of the substation. HOL learned that a net zero
12.	carbon substation cannot be envisioned without carefully considering the
13.	carbon footprint of this equipment and identifying ways to lower it. Mining
14.	(i.e., the carbon required to produce the required materials, e.g., copper,
15.	oil) and manufacturing (i.e., the carbon associated with the manufacturing
16.	process, e.g., electricity, natural gas) were found to be the most
17.	significant contributors. Transportation (the carbon associated with shipping
18.	the transformer from the manufacturer to the substation site, e.g., diesel
19.	fuel (trucks), fuel oil (trains)) was also a large contributor, but much less
20.	significant than mining and manufacturing Therefore, the selection process
21.	was focused on the materials content of the transformers which captured the
22.	embodied carbon associated with the mining and manufacturing phases of the
23.	transformer lifecycle.

Section C – Additional project information			
Who prepared the responses for Section B?			
253	<input type="checkbox"/> Employee directly involved in the project	254	Name
255	<input type="checkbox"/> Other employee of the company	256	Name
257	<input checked="" type="checkbox"/> External consultant	258	Name KPMG LLP
		259	Firm KPMG LLP
List the key individuals directly involved in the project and indicate their qualifications/experience.			
260	Names		261 Qualifications/experience and position title
1	[REDACTED]		[REDACTED]
	[REDACTED]		[REDACTED]
	[REDACTED]		[REDACTED]
265 Are you claiming any salary or wages for SR&ED performed outside Canada? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
266 Are you claiming expenditures for SR&ED carried out on behalf of another party? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
267 Are you claiming expenditures for SR&ED performed by people other than your employees? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

If you answered yes to line 267, complete lines 268 and 269.	
268	269
Names of individuals or companies	BN
1 BluWave Inc.	[REDACTED]
2 Burns & McDonnell Canada Ltd.	[REDACTED]
3	

What evidence do you have to support your claim? (Check any that apply) You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.			
270	<input type="checkbox"/> Project planning documents	276	<input checked="" type="checkbox"/> Progress reports, minutes of project meetings
271	<input checked="" type="checkbox"/> Records of resources allocated to the project, time sheets	277	<input checked="" type="checkbox"/> Test protocols, test data, analysis of test results, conclusions
272	<input type="checkbox"/> Design of experiments	278	<input type="checkbox"/> Photographs and videos
273	<input type="checkbox"/> Project records, laboratory notebooks	279	<input type="checkbox"/> Samples, prototypes, scrap or other artefacts
274	<input checked="" type="checkbox"/> Design, system architecture and source code	280	<input checked="" type="checkbox"/> Contracts
275	<input type="checkbox"/> Records of trial runs	281	<input type="checkbox"/> Others, specify 282

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 2 – Project information (continued)

Project number 5

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification			
200 Project title (and identification code if applicable)			
2022-03 Integration Methods for Performant & Secure System			
202 Project start date		204 Completion or expected completion date	
2021-05		2024-06	
Year Month		Year Month	
		1.02.02	Information technology and bioinformatics (Software
Project claim history			
208 <input checked="" type="checkbox"/> Continuation of a previously claimed project 210 <input type="checkbox"/> First claim for the project			
218 Was any of the work done jointly or in collaboration with other businesses? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
If you answered yes to line 218, complete lines 220 and 221.			
220 Names of the businesses		221 BN	
1			
2			
3			

Section B – Project descriptions	
242 What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines)	
1. In the quest to safeguard the technology platforms associated with grid	
2. modernization initiative, Hydro Ottawa sought to strengthen its cyber	
3. security infrastructure. The increase in sophistication and volume of cyber-	
4. attacks necessitated the development of efficient methods to prevent loss of	
5. data and restrict occurrence of any catastrophic system lockouts. Moreover,	
6. since HOL's existing tools and practices exhibited limited capabilities in	
7. pre-emptively detecting and blocking such serious interventions, challenge	
8. was in building dynamic protection measures that could effectively isolate	
9. such threats. In particular, the goal was to ensure data loss prevention	
10. while communicating with external nodal contacts through shared services.	
11. Furthermore, attempt was to introduce additional client-side encryption on	
12. sensitive data files for guarding against unauthorized access. However, given	
13. the multi-layered internal data framework and limitations imposed by	
14. interfacing external systems, HOL was uncertain if such a security design	
15. could be achieved.	
16. Hydro Ottawa (or "HOL") sought to extend the capabilities of its existing	
17. customer platform (MyAccount) for seamless billing and outage management	
18. operations. This was necessary to enable account billing under a new pricing	
19. plan (ULO Ultra Low Overnight) introduced by the OEB (Ontario Energy Board)	
20. for FY2023. However, given the multiple sub-systems involved in performing	
21. the billing calculations and the need to implement ULO changes from a	
22. specific date, problem was in relaying the user selections and applying the	
23. appropriate billing rate in a coherent manner. Additionally, as early outage	
24. information helps in faster fault detection and restoration, the idea was to	
25. permit non-account users to report outage events in an expeditious manner. To	
26. implement this, challenge was how to securely expose the MyAccount	
27. application to prevent unauthorized data access. Investigations were	
28. therefore necessary to determine if these challenges could be resolved.	
244 What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (Maximum 100 lines)	
1. Hydro Ottawa focused its efforts on developing protection measures to	
2. proactively detect and block cyber threats from compromised accounts. The	
3. primary objective was to enforce data retention policies in a strict manner	

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244	What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (Maximum 100 lines)
4.	to exercise complete control over document sharing and disposal practices.
5.	Initial investigations into the existing coverage levels indicated that over
6.	75% of the shared endpoints (Google Drive locations) did not systematically
7.	record and implement the different file expiry limits. A third-party solution
8.	(AODocs) that provided the monitoring capability and traceability over the
9.	critical information documents was tested, however it failed to adequately
10.	enforce the native file preservation standards. Therefore, a custom design
11.	was developed to natively pull the retention standards and apply them in a
12.	seamless manner. To source the active retention rules from the repository, a
13.	third-party information lifecycle management solution was utilized. This was
14.	necessary to build the API channels to the rules engine and ensure
15.	application of latest retention limits. Individual drive locations were then
16.	mapped to the applicable retention value before performing series of data
17.	security tests. Eventually, this initial POC allowed HOL to effectively
18.	implement the document retention and release practices. By the end of FY23,
19.	work was still ongoing to implement the change across the shared endpoints.
20.	In another attempt to secure the critical data sources, HOL sought to develop
21.	an additional encryption layer on top of existing default security layer.
22.	Such a design would encode the data before it was exposed to the external
23.	security channel (i.e. Google) thereby providing greater protection from a
24.	cyber threat. Initial efforts were spent on restructuring the predefined data
25.	packet restrictions to allow external traffic to enter the HOL's internal
26.	security boundary. As this was completed for the virtual machine
27.	infrastructure, investigations were carried out to analyze the interfacing
28.	browser's security landscape. Port mapping revisions were undertaken to
29.	enable transportation of the pre-encrypted data files. In parallel to this
30.	work, an automation tool was also developed to perform a vulnerability check
31.	on the various IT servers and machines. Scripts were designed to parse the
32.	identity of the deployed security patches and develop a vulnerability report
33.	of the possibly susceptible cyber risk points. Post introduction of these
34.	security upgrades, HOL was successful in strengthening the data security
35.	practices for handling of sensitive information with external parties.
36.	In FY23, HOL sought to develop techniques for upgrading the "MyAccount"
37.	framework such that it could deliver new rate option and outage services to
38.	the customers. As this customer interfacing application was driven by a
39.	myriad of backend processes and systems, the major focus was to understand
40.	the existing data relationships and develop methods to relay the customer
41.	level preferences and inputs. For the ULO rate option billing changes,
42.	initial efforts were concentrated on displaying the meter data records to
43.	reflect the consumption values in the ULO time periods. Next, the billing
44.	engine was re-structured to accommodate the ULO billing rates. Subsequently,
45.	mapping techniques were formulated to capture the ULO specific meter readings
46.	from the MM/R and apply the expected charge rates to compute the final
47.	billing amount. Multiple performance tests were then undertaken to validate
48.	the end-to-end process from initial billing category selection by the account
49.	user on the MyAccount page to the delivery of the utility bill through the
50.	same platform. Likewise, in its endeavour to support account level usage data
51.	requests on the MyAccount portal, HOL attempted to visually represent the
52.	consumption data. This required "MyAccount" portal to interface with Savage
53.	system data through a web service to extract the usage records and running
54.	statistical operations to develop the usage charts corresponding to the
55.	current billing cycle data. As this was completed, focus was then shifted to
56.	improve the outage reporting standards by enabling non-Hydro Ottawa users to
57.	report outage events on the MyAccount portal. To this end, in the
58.	authorization module, the user validation tests were updated to permit
59.	registration of such users. Furthermore, the user provided data was then
60.	transported to the outage database for the HOL system users to initiate the

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244	What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (Maximum 100 lines)
61.	necessary outage limitation actions. Eventually, as these portal enhancements
62.	were tested, HOL was successful in extending the capabilities of its customer
63.	supporting application.

246	What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (Maximum 50 lines)
1.	The work performed in FY2023 represents a technological advancement in the
2.	field of electrical IT systems. The project contributed to following
3.	advancements:
4.	Hydro Ottawa was successful at strengthening its data loss prevention and
5.	retention procedures through development of file tracking and encryption
6.	methods. In particular, HOL gained a new understanding of automatically
7.	mapping the document retention and release timelines to external shared
8.	channels to safeguard critical utility data. Moreover, encryption methods
9.	were formulated to provide an additional security layer for the sensitive
10.	data blocks that could otherwise be susceptible to external cyber attacks. As
11.	much, these new cyber security mechanisms could be readily applied to secure
12.	other cyber risk prone data centers across different utility networks.
13.	Hydro Ottawa advanced the capabilities of its customer portal system by
14.	enabling seamless switching between different billing rate options. By
15.	exposing consumption data to the end users in a structured design, it was
16.	successful in fulfilling on-demand customer data requests. Moreover, HOL also
17.	strengthened its outage reporting services by enabling users outside the
18.	Hydro Ottawa customer base to readily share outage related information in a
19.	timely and accessible way.

Section C – Additional project information			
Who prepared the responses for Section B?			
253	<input type="checkbox"/> Employee directly involved in the project	254	Name
255	<input type="checkbox"/> Other employee of the company	256	Name
257	<input checked="" type="checkbox"/> External consultant	258	Name
		259	Firm
		KPMG LLP	KPMG LLP
List the key individuals directly involved in the project and indicate their qualifications/experience.			
260	Names	261	Qualifications/experience and position title
1			
2			
3			
265	Are you claiming any salary or wages for SR&ED performed outside Canada?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

If you answered yes to line 267, complete lines 268 and 269.			
268	Names of individuals or companies	269	BN
1	Canary Trap Inc.		
2	Whitecap Canada Inc		
3			

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Hydro Ottawa Limited/Hydro Ottawa Limitee

[REDACTED]

What evidence do you have to support your claim? (Check any that apply)

You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270

☐

Project planning documents

271

☒

Records of resources allocated to the project, time sheets

272

☐

Design of experiments

273

☐

Project records, laboratory notebooks

274

☒

Design, system architecture and source code

275

☐

Records of trial runs

276

☒

Progress reports, minutes of project meetings

277

☒

Test protocols, test data, analysis of test results, conclusions

278

☐

Photographs and videos

279

☐

Samples, prototypes, scrap or other artefacts

280

☒

Contracts

281

☐

Others, specify

282

2023-12-31

Hydro Ottawa Limited/Hydro Ottawa Limitee

Federal Tax Instalments

Federal tax instalments

For the taxation year ended

2024-12-31

Business number

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

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

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

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2024-01-31	68,793				68,793
2024-02-29	68,793				68,793
2024-03-31	55,473				55,473
2024-04-30	55,473				55,473
2024-05-31	55,473				55,473
2024-06-30	55,473				55,473
2024-07-31	55,473				55,473
2024-08-31	55,473				55,473
2024-09-30	55,473				55,473
2024-10-31	55,473				55,473
2024-11-30	55,473				55,473
2024-12-31	55,465				55,465
2025-01-31					64,392
2025-02-28					64,392
Totals	692,308				821,092

2023-12-31

Hydro Ottawa Limited/Hydro Ottawa Limitee

 Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

PILS FILING

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


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

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

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

055 Do not use this area

Identification

Business number (BN) 001 	
Corporation's name 002 Hydro Ottawa Limited/Hydro Ottawa Limitee	
Address of head office Has this address changed since the last time the CRA was notified? 010 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete lines 011 to 018. 011 _____ 012 _____ City _____ Province, territory, or state _____ 015 _____ Country (other than Canada) _____ Postal or ZIP code _____ 017 _____ 018 _____	
Mailing address (if different from head office address) Has this address changed since the last time the CRA was notified? 020 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete lines 021 to 028. 021 c/o _____ 022 _____ 023 _____ City _____ Province, territory, or state _____ 025 _____ Country (other than Canada) _____ Postal or ZIP code _____ 027 _____ 028 _____	
Location of books and records (if different from head office address) Has this address changed since the last time the CRA was notified? 030 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete lines 031 to 038. 031 _____ 032 _____ City _____ Province, territory, or state _____ 035 _____ Country (other than Canada) _____ Postal or ZIP code _____ 037 _____ 038 _____	
040 Type of corporation at the end of the tax year (tick one) <input checked="" type="checkbox"/> 1 Canadian-controlled private corporation (CCPC) <input type="checkbox"/> 2 Other private corporation <input type="checkbox"/> 3 Public corporation <input type="checkbox"/> 4 Corporation controlled by a public corporation <input type="checkbox"/> 5 Other corporation (specify) _____ If the type of corporation changed during the tax year, provide the effective date of the change 043 <input type="text" value="Year Month Day"/>	
To which tax year does this return apply? Tax year start Year Month Day 060 2023-01-01 Tax year-end Year Month Day 061 2023-12-31 Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? 063 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , provide the date control was acquired 065 <input type="text" value="Year Month Day"/> Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Is the corporation a professional corporation that is a member of a partnership? 067 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Is this the first year of filing after: Incorporation? 070 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Amalgamation? 071 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete and attach Schedule 24. Is this the final tax year before amalgamation? 076 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Is this the final return up to dissolution? 078 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If an election was made under section 261, state the functional currency used 079 _____ Is the corporation a resident of Canada? 080 Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete and attach Schedule 91. If the corporation is exempt from tax under section 149, tick one of the following boxes: 085 <input type="checkbox"/> 1 Exempt under paragraph 149(1)(e) or (l) <input type="checkbox"/> 2 Exempt under paragraph 149(1)(j) <input type="checkbox"/> 4 Exempt under other paragraphs of section 149	
Do not use this area	
095	096
898	

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Attachments

Financial statement information: Use GIF1 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 <input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	160 <input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	151 <input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	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 <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input checked="" type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	166 <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167 <input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168 <input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169 <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170 <input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	171 <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	180 <input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202 <input checked="" type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206 <input checked="" type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207 <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	213 <input checked="" type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217 <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221 <input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits or zero-emission technology manufacturing profits?	227 <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231 <input checked="" type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232 <input checked="" type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233 <input checked="" type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 <input checked="" type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243 <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	254 <input type="checkbox"/>	T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272 <input type="checkbox"/>	58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255 <input type="checkbox"/>	92

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Attachments (continued)

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

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Is the corporation inactive?	280	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution					
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	DIST. OF ELECTRICITY		285	100.000 %
	286			287	%
	288			289	%
Did the corporation immigrate to Canada during the tax year?	291	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day			
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	-2,960,516	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.

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Small business deduction

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

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

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

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

Notes:

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

Business limit reduction

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

Amount C 500,000 x **415** *** 3,151,660 D = E1
11,250

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

Amount C 500,000 x **415** *** 3,151,660 D = 17,509,222 E2
90,000

Amount E1 or amount E2, whichever applies 17,509,222 ► 17,509,222 E3

Passive income business limit reduction

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

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

The greater of amount E3 and amount G **422** 17,509,222 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.

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

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

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Hydro Ottawa Limited/Hydro Ottawa Limitee

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 7440x302/3%=A

Foreign non-business income tax credit from line 632 on page 8B

Foreign investment income from Schedule 7445x8%=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 3F

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 8x75/29=H

Foreign business income tax credit from line 636 on page 8x4=I

Subtotal (add amounts G to I)J

Subtotal (amount F minus amount J)Kx302/3%=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 least450N

* This is not applicable to substantive CCPCs.

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Refundable dividend tax on hand

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

Dividend refund

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTH 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
NERDTH 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.		

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Hydro Ottawa Limited/Hydro Ottawa Limitee

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.

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Hydro Ottawa Limited/Hydro Ottawa Limitee

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	

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		692,308

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund from amount JJ on page 7	784		
Federal capital gains refund from Schedule 18	788		
Federal qualifying environmental trust tax credit refund	792		
Return of fuel charge proceeds to farmers tax credit from Schedule 63	795		
Canadian film or video production tax credit (Form T1131)	796		
Film or video production services tax credit (Form T1177)	797		
Canadian journalism labour tax credit from Schedule 58	798		
Air quality improvement tax credit from Schedule 65	799		
Tax withheld at source	800		
Total payments on which tax has been withheld	801		
Provincial and territorial capital gains refund from Schedule 18	808		
Provincial and territorial refundable tax credits from Schedule 5	812		
Tax instalments paid	840	1,064,000	
Total credits	890	1,064,000	
			692,308 A

Balance (amount A minus amount B) -371,692

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

Refund code 894 1 Refund 371,692 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 Simpson	951 Geoff	954 CFO
Last name	First name	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 2024-06-19	Signature of the authorized signing officer of the corporation	956 (613) 738-5499
Date (yyyy/mm/dd)		Telephone number
Is the contact person the same as the authorized signing officer? If no, complete the information below		
958 Bettina Yau		957 Yes No X
Name of other authorized person		959 (613) 738-5499
		Telephone number

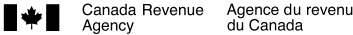
Language of correspondence – Langue de correspondance

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

2023-12-31

Hydro Ottawa Limited/Hydro Ottawa Limitee



SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 100

Corporation's name	Business number	Tax year end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

Balance sheet information

Account	Description	GIF1	Current year	Prior year
Assets				
	Total current assets	1599 +	193,663,000	176,195,000
	Total tangible capital assets	2008 +	1,941,469,000	1,796,457,000
	Total accumulated amortization of tangible capital assets	2009 –	398,409,000	344,259,000
	Total intangible capital assets	2178 +	174,143,000	170,354,000
	Total accumulated amortization of intangible capital assets	2179 –	68,692,000	60,046,000
	Total long-term assets	2589 +	131,843,000	116,513,000
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	1,974,017,000	1,855,214,000

Liabilities				
	Total current liabilities	3139 +	261,193,000	233,980,000
	Total long-term liabilities	3450 +	1,246,711,000	1,183,919,000
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	1,507,904,000	1,417,899,000

Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	466,113,000	437,315,000

	Total liabilities and shareholder equity	3640 =	1,974,017,000	1,855,214,000
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Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	299,032,000	270,234,000

* Generic item

2023-12-31

Hydro Ottawa Limited/Hydro Ottawa Limitee



Canada Revenue Agency
Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Corporation's name	Business number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		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
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Income statement information

Total sales of goods and services	8089 +	1,117,944,000	1,103,811,000
Cost of sales	8518 -	878,410,000	886,898,000
Gross profit/loss	8519 =	239,534,000	216,913,000
Cost of sales	8518 +	878,410,000	886,898,000
Total operating expenses	9367 +	202,888,000	170,589,000
Total expenses (mandatory field)	9368 =	1,081,298,000	1,057,487,000
Total revenue (mandatory field)	8299 +	1,118,413,000	1,102,572,000
Total expenses (mandatory field)	9368 -	1,081,298,000	1,057,487,000
Net non-farming income	9369 =	37,115,000	45,085,000

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 =	37,115,000	45,085,000
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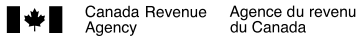
Total – other comprehensive income	9998 =		
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Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +		
Unusual items	9985 -		
Current income taxes	9990 -	-257,000	754,000
Future (deferred) income tax provision	9995 -	8,574,000	11,625,000
Total – Other comprehensive income	9998 +		
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	28,798,000	32,706,000

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Hydro Ottawa Limited/Hydro Ottawa Limitee



Schedule 141

General Index of Financial Information (GIFI) – Additional Information

Corporation's name	Business number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		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	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If you answered no , go to Part 2.					
Does that person have a professional designation in accounting?	095	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Is that person connected** with the corporation?	097	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

* 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	<input checked="" type="checkbox"/>
Completed a review engagement report	301	<input type="checkbox"/>
Conducted a compilation engagement	302	<input type="checkbox"/>
Provided accounting services	303	<input type="checkbox"/>
Provided bookkeeping services	304	<input type="checkbox"/>
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	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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Part 4 – Other information

Were notes to the financial statements prepared?	101	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Did the corporation have any subsequent events?	104	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Did the corporation re-evaluate its assets during the tax year?	105	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Did the corporation have any contingent liabilities during the tax year?	106	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Did the corporation have any commitments during the tax year?	107	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the corporation have investments in joint venture(s) or partnership(s)?	108	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 4 – Other information (continued)

Impairment and fair value changes

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

If yes, enter the amount recognized:

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

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? 250 Yes No X
Did the corporation apply hedge accounting during the tax year? 255 Yes No X
Did the corporation discontinue hedge accounting during the tax year? 260 Yes No X

Adjustments to opening equity

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

If yes, you have to maintain a separate reconciliation.

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

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

- Prepared the T2 return and the financial information contained therein 310
- The client provided the financial statements 311
- The client provided a trial balance 312
- The client provided a general ledger 313
- Other (please specify) 314 Prepared the T2 return

Corporation's name	Business number	Tax year end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

General Index of Financial Information

Notes to the financial statements

<p>1. DESCRIPTION OF BUSINESS AND CORPORATE INFORMATION</p> <p>Hydro Ottawa Limited [the 'Company'] was incorporated on October 3, 2000 pursuant to the Business Corporations Act (Ontario) as mandated by the Ontario government's Electricity Act, 1998. The Company is a wholly owned subsidiary of Hydro Ottawa Holding Inc., which in turn is wholly owned by the City of Ottawa. The Company is domiciled in Canada with the registered head office located at 2711 Hunt Club Road, Ottawa, Ontario, K1G 5Z9. Hydro Ottawa Limited is a regulated electricity distribution company that owns and operates electricity infrastructure in the City of Ottawa and the Municipality of Casselman and is responsible for the safe, reliable delivery of electricity to homes and businesses in its licensed service area. In addition to billing for distribution services, Hydro Ottawa Limited invoices customers for amounts it is required to pay to other organizations in Ontario's electricity system for providing wholesale generation and transmission services.</p> <p>2. BASIS OF PRESENTATION</p> <p>(a) Statement of compliance</p> <p>These financial statements have been prepared by management on a going-concern basis in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ['IFRS Accounting Standards'], and have been approved and authorized by the Company's Board of Directors for issue on April 23, 2024.</p> <p>(b) Basis of measurement</p> <p>The Company's financial statements are prepared on a historical cost basis, except for the valuation of other employee future benefits as disclosed in Note 3(i)(ii).(c) Functional and presentation currency</p> <p>These financial statements are presented in Canadian dollars, which is the Company's functional currency.(d) Use of estimates and judgments</p> <p>The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements.</p> <p>Due to the inherent uncertainty involved in making such estimates, actual results could differ from estimates recorded in preparing these financial statements, including changes as a result of future decisions made by the Ontario Energy Board ['OEB'] or the Ontario provincial government. Management reviews its estimates and judgments on an ongoing basis using the most current information available. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the material accounting policies. Significant areas where estimates and judgments are made in the application of IFRS Accounting Standards are as follows:</p> <p>i. Accounts receivable</p> <p>Accounts receivable, which includes unbilled receivables, are reported based on the amounts expected to be recovered less a loss allowance for expected credit losses. Management utilizes historical loss experience and forward-looking information in conjunction with the aging and arrears status of accounts receivable at year-end in the determination of the allowance.</p> <p>2. BASIS OF PRESENTATION [CONTINUED]</p> <p>(d) Use of estimates and judgments [continued]</p> <p>ii. Regulatory balances</p> <p>The recognition and measurement of regulatory balances is subject to certain estimates, judgments and assumptions, including assumptions made in the interpretation of the OEB's regulations and decisions. The Company continues to assess the likelihood of recovery of all regulatory debit balances subject</p>
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Corporation's name	Business number	Tax year end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

General Index of Financial Information

Notes to the financial statements

<p>to recovery through a future rate filing. The absence of OEB approval is a consideration in this evaluation.</p> <p>iii. Useful lives of depreciable assets</p> <p>Depreciation and amortization expense are calculated based on estimates of the useful lives of property, plant and equipment, intangible assets and investment properties. Management estimates the useful lives of the various types of assets using assumptions and estimates of life characteristics of similar assets based on a long history of industry experience.</p> <p>iv. Impairments of non-financial assets</p> <p>Non-financial assets are reviewed by management for impairment using the future cash flows method. By their nature, estimates of future cash flows, including estimates of future capital expenditures, revenue, operating expenses, discount rates and market pricing are subject to measurement uncertainty.</p> <p>v. Employee future benefits</p> <p>The measurement of employee future benefits involves the use of numerous estimates and assumptions. Actuaries make assumptions for items such as discount rates, future salary increases and mortality rates in the determination of benefits expenses and accrued benefit obligations.</p> <p>vi. Capital contributions</p> <p>The timing of the satisfaction of performance obligations for capital contributions from customers is subject to certain estimates of future electricity usage.</p> <p>3. MATERIAL ACCOUNTING POLICIES</p> <p>On January 1, 2023, the Company adopted amendments within IAS 1 Presentation of Financial Statements related to the Disclosure of Accounting Policies. The changes required an entity to disclose material rather than significant accounting policies and provided guidance identifying material accounting policies relevant to users of the financial statements. Accordingly, management reviewed its accounting policies and updated the accounting policy information within this note to align with these amendments.</p> <p>(a) Regulation</p> <p>The Company is regulated by the OEB under the authority of the Ontario Energy Board Act, 1998. The OEB is charged with the responsibilities of approving or setting rates for the transmission and distribution of electricity, and ensuring that distribution companies fulfill obligations to connect and service customers.</p> <p>3. MATERIAL ACCOUNTING POLICIES [CONTINUED]</p> <p>(a) Regulation [continued]</p> <p>For fiscal year ended December 31, 2023, the Company continued to operate under a custom incentive rate-setting application ['Custom IR'] prescribed by the OEB. The Custom IR is one of the rate setting options contained in the Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach policy.</p> <p>Annual IR applications are required to set rates and charges for the 2022-2025 rate years. On August 17, 2023, the Company filed its Custom IR year 4 update application seeking approval to change its base distribution rates effective January 1, 2024. Rates are adjusted using a formulaic approach following the first year base rates. The 2024 rates are based on an update to the Company's custom price escalation factor, working capital allowance, and the Company's annual incremental capital stretch factor for capital-related revenue requirement. The Company's 2024 rates were approved by the OEB on December 14, 2023.</p> <p>Once rates are approved, they are not adjusted as a result of actual costs being different from those that were estimated, other than for certain prescribed costs that are eligible for deferral treatment and are either</p>
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Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

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Notes to the financial statements

collected or refunded in future rates.

In January 2014, the International Accounting Standards Board ['IASB'] issued IFRS 14 - Regulatory Deferral Accounts ['IFRS 14'], which permits rate-regulated entities to use its existing rate-regulated activities practices if and only if, in its first IFRS financial statements, it recognized regulatory deferral account balances by electing to apply the requirements of IFRS 14.

The Company has determined that certain debit and credit balances arising from rate-regulated activities qualify for the application of regulatory accounting treatment in accordance with IFRS 14 and the accounting principles prescribed by the OEB in the Accounting Procedures Handbook for Electricity Distributors. Regulatory debit and credit balances primarily represent costs that have been deferred because it is probable that they will be recovered in future rates, revenues that are required to be returned or collected to/from customers or balances that arise from differences in amounts billed to customers for electricity services and the costs that the Company incurs to purchase these services. Regulatory balances principally comprise the following:

? Regulatory asset/liability refund account ['RARA'/'RLRA'] consists of balances of regulatory assets or regulatory liabilities approved for disposition by the OEB through temporary additional rates referred to as rate riders.?

Settlement variances relate primarily to the charges the Company incurred for transmission services, commodity, wholesale market operations and global adjustment in comparison to those settled with customers during the year. The nature of the settlement variances is such that the balance can fluctuate between assets and liabilities over time, and they are reported at year-end dates in accordance with rules prescribed by the OEB.

? Lost Revenue Adjustment Mechanism ['LRAM'] account tracks and disposes of lost electricity distribution revenues that result from Conservation and Demand Management ['CDM'] programs.

? Earnings Sharing Mechanism ['ESM'] variance account captures 50% of any regulated earnings above Hydro Ottawa's approved return on equity for specific rate periods.

? Other Post-employment Benefits deferral account ['OPEB deferral account'] was authorized by the OEB in 2011 to record the adjustment to employee future benefits other than pension relating to the cumulative actuarial gains or losses. This account is adjusted annually to record any changes in the cumulative actuarial gains or losses. No interest charges are recorded on this account as instructed by the OEB.

? Other Post-employment Benefits cash versus accrual account ['OPEB cash vs accrual'] tracks the interest on the differential of the Company's contributions to OPEB versus the accrued OPEB expense recorded in the statement of income.

? Gain/Loss on Asset Disposal variance account is the difference between actual amount of gain/loss from disposal of fixed assets and the forecasted gain/loss.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(a) Regulation [continued]

Other variances and deferred costs include the following:

? Connection Cost Recovery Agreement ['CCRA'] account allows the Company to record annual revenue requirements related to the difference between forecasted payments built into rates and actual payments made to Hydro One Networks Inc. ['HONI'] under connection and cost recovery agreements.

? Capital Variance Account ['CVA'] account (excluding the System Access capital variance sub-account relating to plant relocation requested by third parties and residential expansion) is an asymmetrical variance account.

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Notes to the financial statements

<p>Accordingly, the CVA tracks on an annual basis [for years 2021-2025], the cumulative revenue requirement difference resulting from the underspending in the Company's three capital spending categories: System Renewal/System Service, System Access, and General Plant. The System Access capital variance sub-account records the cumulative revenue requirement difference due to both overspending or underspending and is referred to as a symmetrical variance account.</p> <p>? Performance Outcomes Accountability Mechanism account to return up to \$200 annually for each under-achieved target during the 2021-2025 custom incentive rate-setting period. The five targets impacted by this mechanism account are identified in the Company's settlement agreement.</p> <p>? the OEB established a variance account for electricity distributors to record any material differences between OEB cost assessments currently built into rates, and cost assessments that will result from the application of the new cost assessment models.</p> <p>The Company accrues interest on the regulatory balances as directed by the OEB.</p> <p>The Company continues to assess the likelihood of recovery of all regulatory debit balances subject to recovery through a future rate filing. The absence of OEB approval is a consideration in this evaluation. If the requirement for a provision becomes more likely than not, the Company will recognize the provision in operating costs for the year.(b) Revenue recognition Depending on whether certain criteria are met the Company recognizes revenue from contracts with customers when it transfers control over a product or service to a customer either over time or at a point in time. For revenue from other sources, the Company recognizes revenue over time taking into consideration the facts and circumstances of the arrangement. Revenue is measured at the consideration received or receivable, excluding sales taxes and other amounts collected on behalf of third parties in the following revenue arrangements.i. Power recovery Power recovery revenue represents the flow-through of the cost of power to the consumer as purchased by the Company and is recognized over time as electricity is delivered to the customer, as measured by meter readings or usage estimates. Power recovery revenue is regulated by the OEB and includes charges to customers for the electricity commodity, the transmission of electricity and the administration of the wholesale electricity system. The Company has determined that it acts as a principal in this revenue arrangement and therefore has presented it on a gross basis.</p> <p>3. MATERIAL ACCOUNTING POLICIES [CONTINUED]</p> <p>(b) Revenue recognition [continued]</p> <p>ii. Distribution</p> <p>The Company charges customers for the delivery of electricity, based on rates established by the OEB. The rates are intended to allow the Company to recover its prudently incurred costs and earn a fair return on invested capital. Distribution revenue is recognized over time as electricity is delivered to the customer, as measured by meter readings or usage estimates.</p> <p>iii. Other</p> <p>Other revenue comprises revenue earned under contracts for service work related to distribution operations, pole attachment and duct rentals, capital contributions received from customers amortized to revenue, and other account-related charges such as account set-up and late payment fees. Revenue earned under contracts for service work related to distribution operations is recognized over time as the corresponding costs are recognized proportionately with the degree of completion of the services under contract. Losses on such contracts are fully recognized when they become evident. In certain situations, capital contributions are required from customers to</p>

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<p>finance additions to property, plant and equipment when the estimated revenue resulting from the addition to property, plant and equipment is less than the cost of providing the service or where special equipment is needed to supply the customers' specific requirements. Since the contributions will provide current and future customers with ongoing access to the supply of electricity, these contributions are classified as deferred revenue and amortized into revenue on a straight-line basis over time [the period a customer will receive services], which is typically equivalent to the rate used for the depreciation of the related property, plant and equipment [service life of the related assets]. All other revenues are recognized over time as services are rendered, except for revenue from certain account-related charges, which is recognized at a point in time.</p> <p>Capital contributions received from developers to construct or acquire property, plant and equipment for the purpose of connecting future customers to the Company's distribution network are considered out of scope of IFRS 15. Capital contributions received from developers are recognized as deferred revenue and amortized into revenue from other sources at an equivalent rate to that used for the depreciation of the related property, plant and equipment.</p> <p>(c) Financing costs</p> <p>Financing costs are calculated using the effective interest rate method and are recognized as an expense unless they are capitalized as part of the cost of a qualifying asset.(d) Income taxes</p> <p>The Company is considered to be a Municipal Electric Utility ['MEU'] and is required to make payments in lieu of corporate income taxes [PILS] as contained in the Electricity Act, 1998, as all of its share capital is indirectly owned by the City of Ottawa and not more than 10% of its income is derived from activities carried on outside the municipal boundaries of the City of Ottawa. The Electricity Act, 1998 provides that a MEU that is exempt from tax under the Income Tax Act (Canada) ['ITA'] and the Taxation Act, Ontario ['TAO'] is required to make, for each taxation year, a PILs payment to the Ontario Electricity Financial Corporation in an amount equal to the tax that it would be liable to pay under the ITA and the TAO if it were not exempt from tax.</p> <p>3. MATERIAL ACCOUNTING POLICIES [CONTINUED]</p> <p>(d) Income taxes [continued]</p> <p>The Company follows the liability method for recording income taxes. Under the liability method, current income taxes payable are recorded based on taxable income. Deferred income taxes arising from temporary differences in the accounting and tax basis of assets and liabilities are provided based on substantively enacted tax rates that will be in effect when the differences are expected to reverse.</p> <p>The Company recognizes regulatory balances for the amounts of future income taxes expected to be refunded to or recovered from customers in future electricity rates as prescribed by the OEB.(e) Financial instruments</p> <p>Financial instruments are initially measured at the fair value of the consideration given or received plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument.</p> <p>The Company's financial assets, upon initial recognition, are classified as amortized cost or fair value [whereby subsequent changes in fair value are recognized either through OCI ['FVOCI'] or through profit and loss ['FVTPL'] as unrealized market adjustments]. Financial assets are classified based on the Company's business model for managing such assets and the contractual terms of the related cash flows.</p> <p>The Company's financial liabilities, upon initial recognition, are classified as amortized cost or FVTPL. A financial liability is classified as FVTPL if</p>
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<p>it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.</p> <p>The Company classifies and subsequently measures its financial instruments as follows:?</p> <p>Cash and accounts receivable are financial assets classified and measured at amortized cost using the effective interest method, less any impairment if applicable.</p> <p>? Working capital facility, accounts payable and accrued liabilities, customer deposits and notes payable are financial liabilities classified and measured at amortized cost using the effective interest rate method.</p> <p>The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between willing parties. The Company's own credit risk and the credit risk of the counterparty are taken into account in determining the fair value of financial assets and liabilities. Financial instruments are classified using a three- level hierarchy. The levels reflect the inputs used to measure the fair values of financial assets and financial liabilities, and are as follows:</p> <p>? Level 1: inputs are unadjusted quoted prices of identical instruments in active markets;</p> <p>? Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and</p> <p>? Level 3: inputs for the liabilities that are not based on observable market data [unobservable inputs].</p> <p>All financial assets except for those classified as FVTPL or FVOCI are subject to review for impairment at least at each reporting date. Impairment losses, if material, are recognized in net income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.</p> <p>The Company recognizes loss allowances for expected credit losses ['ECL's] on financial assets measured at amortized cost. The Company measures loss allowances for electricity receivables, unbilled receivables relating to electricity and trade receivables via a simplified approach as permitted by IFRS 9, at an amount equal to lifetime ECL.</p> <p>When determining whether the credit risk of a financial asset has increased, the Company performs a quantitative and qualitative analysis based on the Company's historical experience and forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security.</p> <p>3. MATERIAL ACCOUNTING POLICIES [CONTINUED]</p> <p>(e) Financial instruments [continued]</p> <p>Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.(f) Property, plant and equipment</p> <p>Property, plant and equipment consist principally of electricity distribution infrastructure, buildings and fixtures, land, rolling stock, furniture and equipment, and assets under construction.</p> <p>Emergency capital spare parts that are expected to be used for more than one year, are considered to be assets under construction and are depreciated only once they are put into service.</p> <p>Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Self-constructed asset costs comprise all directly attributable expenditures to bring the</p>

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asset into operation including labour, materials, employee benefits, transportation, contracted services and borrowing costs. Where parts of an item in property, plant and equipment are significant and have different estimated economic useful lives, they are accounted for as separate items [major components] of property, plant and equipment. Certain assets may be acquired or constructed with financial assistance in the form of contributions from customers and developers. Assets that are acquired from customers and developers are measured at fair value. Contributions from customers and developers are treated as deferred revenue.

The cost of major inspections and maintenance is recognized in the carrying value of an asset provided that the Company will derive future economic benefits from the expenditure. The carrying amount of a replaced part is derecognized. The costs of day-to-day servicing, repairs, and maintenance are expensed as incurred.

Depreciation is recorded on a straight-line basis over the estimated service life of each component of property, plant and equipment.

Gains and losses on disposal of retired, sold or otherwise derecognized property, plant and equipment are recognized in income and are calculated as the difference between net proceeds from disposal and the carrying amount of the asset.

The estimated useful lives, residual values and depreciation methods are reviewed at each year-end with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated service lives for property, plant and equipment classes are as follows:

Land and buildings	Land	Indefinite
Buildings and fixtures	10 to 75 years	
Distribution assets	10 to 60 years	
Equipment and other		
Furniture and equipment	5 to 40 years	
Rolling stock	7 to 15 years	

Assets under construction and land are not subject to depreciation. Borrowing costs are capitalized as a component of the cost of self-constructed property, plant and equipment assets that take a substantial period of time to get ready for their intended use. The capitalization rate is the Company's weighted average cost of borrowing.

3. MATERIAL ACCOUNTING POLICIES [CONTINUED]

(g) Intangible assets

Intangible assets include land rights, capital contributions, computer software and assets under development.

Intangible assets with finite lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the estimated service lives of the related assets.

Intangible assets are derecognized on disposal or when no further future economic benefits are expected from their use. Gains or losses on disposal of intangible assets are recognized in income and are calculated as the difference between net proceeds from disposal and the carrying amount of the asset. The estimated useful lives and amortization methods are reviewed at each year-end with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated service lives for intangible assets with finite lives are as follows:

Land rights	50 years
Computer software	5 to 13 years
Capital contributions	45 years

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<p>Borrowing costs are capitalized as a component of cost of self-constructed intangible assets that take a substantial period of time to get ready for their intended use. The capitalization rate is the Company's weighted average cost of borrowing. (h) Impairment of non-financial assets</p> <p>At the end of each reporting period, or earlier if required, management uses its judgment to assess whether there is an indication that the carrying amount of a non-financial asset [or cash generating unit, 'CGU'] exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This assessment involves the consideration of whether any events or changes in circumstances could have affected the recoverability of the carrying amount of a non-financial asset or CGU. Management considers various indicators including, but not limited to, adverse changes in the industry or economic conditions, changes in the degree or method of use of an asset, a lower than expected economic performance of an asset or a significant change in market returns or interest rates. If any indication exists, the Company estimates the asset's recoverable amount, which is the higher of an asset or CGU's fair value less costs of disposal and its value in use. If the carrying value of a non-financial asset materially exceeds its recoverable amount, the difference is immediately recognized as an impairment loss in profit or loss.</p> <p>Intangible assets not yet available for use are tested for impairment [within their respective CGUs] at least annually, and whenever there is an indication that the asset may be impaired.</p> <p>When determining the recoverable amount, the Company determines its value-in-use by discounting estimated future cash flows to their present value using a discount rate that reflects changes in the time value of money and the risks specific to the asset or the CGU. The discount rate estimated and used by management represents the weighted average cost of capital determined for the CGU being tested.</p> <p>At the end of a reporting period, if there is any indication that an impairment loss recognized in a prior period no longer exists or has decreased, the loss is reversed up to its recoverable amount. The carrying amount following the reversal must not be higher than the carrying amount that would have prevailed [net of amortization] had the original impairment not been recognized in prior periods.</p> <p>3. MATERIAL ACCOUNTING POLICIES [CONTINUED]</p> <p>(i) Employee future benefits</p> <p>i. Pension plan</p> <p>The Company provides pension benefits for its employees through the Ontario Municipal Employees Retirement System ['OMERS'] Fund [the 'Fund']. OMERS is a multi-employer pension plan that provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The 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 Fund.</p> <p>Although the plan is a defined benefit plan, sufficient information is not available to the Company 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. As a result, the Company accounts for the plan as a defined contribution plan, and contributions payable as a result of employee service are expensed as incurred as part of operating costs. The Company shares in the actuarial risks of the other participating entities in the plan, and its future contributions may therefore be increased due to actuarial losses relating to the other participating entities. In addition, the Company's contributions could be increased if other entities withdraw</p>

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from the plan.				
ii. Other post-employment benefits				
Employee future benefits other than pensions provided by the Company include life insurance and a collectively bargained retirement grant. These plans provide benefits to certain employees when they are no longer providing active service.				
Employee future benefits expense is recognized in the period during which the employees render services.				
Employee future benefits are recorded on an accrual basis. The accrued benefit obligation and current service costs are calculated using the projected benefit method prorated on service and based on assumptions that reflect management's best estimates. The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period. Actuarial gains and losses resulting from experience different from that assumed or from changes in actuarial assumptions are recognized in OCI. However, for the Company, these amounts are reclassified to a regulatory debit balance as prescribed by the OEB.				
iii. Employee benefits				
The Company provides short-term employee benefits, such as: salaries, employment insurance, short-term compensated absences, health and dental care. These benefits are recognized as the related service is rendered and is measured on an undiscounted basis. Short-term employee benefits are recognized as an expense unless they qualify for capitalization as part of the cost of an item of materials and supplies, property, plant and equipment, intangible assets. A liability is recognized in respect of any unpaid short-term employee benefits for services rendered in the reporting period.				
(j) Customer deposits				
Customer deposits are cash collections from customers to guarantee the payment of energy bills and fulfillment of construction obligations. Customer deposits from customers to guarantee the payment of energy bills includes related interest amounts owed to the customers. Deposits estimated to be refundable to customers within the next fiscal year are classified as current liabilities and included in accounts payable and accrued liabilities.				
3. MATERIAL ACCOUNTING POLICIES (CONTINUED)				
(k) Provisions and contingencies				
The Company recognizes provisions when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect is material, 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. Provisions are remeasured at each balance sheet date.				
The evaluation of the likelihood of the contingent events requires judgment by management as to the probability of exposure to potential loss. Actual results could differ from these estimates.				
A contingent asset is not recognized in the financial statements. However, a contingent asset is disclosed where an inflow of economic benefits is probable.				
4. ACCOUNTS RECEIVABLE				
2023				
2022				
\$ \$				
Receivables from contracts with customers				
Electricity receivable 71,600 59,994				
Unbilled receivables related to electricity 86,259 82,660				

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Independent Electricity System Operator ['IESO'] receivable	14,065
9,742 Other receivables	7,261 8,813
Amounts due from related party [Note 23]	11,308 12,268
Less: loss allowance [Note 15(c)]	(4,141) (4,007)
186,352	169,470
5. REGULATORY BALANCES	
Information about the Company's regulatory balances is as follows:	
Remaining recovery/ reversal [years]	Balances arising in the 2022 year \$ \$ \$
Recovery/ movements(1)	2023 \$ \$
Regulatory debit balances	
RARA 1-5	687 7,378 949 (73) 8,941
Settlement variances 1-5	36,724 10,279 - (10,877)
36,126OPEB cash versus accrual	1-5 3,218 314 - - 3,532
Loss on asset disposal 1-5	148 - - (148) -
Regulatory asset for deferred income taxes	
Other variances and deferred	(2) 74,238 8,384 - -
82,622costs 1-5	1,498 (814) - (62) 622
116,513	25,541 949 (11,160) 131,843
Regulatory credit balances	
RLRA 1-5	1,148 1,794 (1,592) (73) 1,277
Settlement variances 1-5	17,033 (1,315) - (10,877)
4,841ESM 1-5	1,467 74 - - 1,541
Gain on asset disposal 1-5	- 1,241 - (148) 1,093
LRAM 1-5	105 2,951 - - 3,056
OPEB deferral account 1-5	30 33 - - 63
Other variance and deferred costs	
1-5	
1,902	
1,248	
- (62)	
3,088	
21,685	6,026 (1,592) (11,160) 14,959
5. REGULATORY BALANCES [CONTINUED]	
Remaining recovery/ Recovery/ Other	Balances arising in the 2021 year \$ \$ \$
reversal [years]	2022 \$ \$
Regulatory debit balances	
RARA 1-5	1,691 4,170 (1,600) (3,574) 687
Settlement variances 1-5	13,453 23,049 222 - 36,724
OPEB cash vs accrual 1-5	5,561 (2,343) - - 3,218
LRAM 1-5	967 - - (967) -
Loss on asset disposal 1-5	- 484 - (336) 148
Regulatory asset for deferred income taxes	
(2)	
61,860	
12,378	
-	
-	
74,238	

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Depreciation	(3,475)	(43,952)	(5,381)	-	(52,808)
Disposals	- 1,159	864	-	2,023	
Balance at December 31, 2022		(19,408)	(293,545)	(31,306)	
- (344,259)					
Depreciation	(3,567)	(46,002)	(5,835)	-	(55,404)
Disposals	- 726	528	-	1,254	
Balance at December 31, 2023		(22,975)	(338,821)	(36,613)	
- (398,409) Net book value					
At December 31, 2022					
138,331					
1,207,245					
29,564					
76,019					
1,451,159					
At December 31, 2023	138,003	1,274,032	30,751	99,795	
1,542,581					
During the year, the Company capitalized borrowing costs of \$510 [2022 - \$677] to property, plant and equipment. The average annual interest rate for 2023 was 3.4% [2022 - 2.9%].					
The Company has entered into non-cash transactions that have been excluded from the statement of cash flows as detailed in Note 20. In addition, \$12,105 [2022 - \$7,587] of property, plant and equipment was contributed by developers, the directly related liability of which is included in deferred revenue.					
During the year, the Company recognized a gain on disposal of property, plant and equipment of \$469 [2022 - loss on disposal of \$1,239].					
7. INTANGIBLE ASSETS					
Computer					
Capital					
Assets under					
Land rights					
\$ software					
\$ contributions					
\$ development					
\$ Total					
\$					
Cost					
Balance at December 31, 2021					
2,732					
74,987					
63,655					
24,225					
165,599					
Additions, net of transfers	507	4,779	20,238	(20,769)	
4,755					
Balance at December 31, 2022	3,239	79,766	83,893	3,456	
170,354					
Additions, net of transfers	-	6,265	(4,756)	2,280	
3,789					
Balance at December 31, 2023	3,239	86,031	79,137	5,736	
174,143					
Accumulated amortization					
Balance at December 31, 2021					
(477)					
(47,116)					

10. DEFERRED REVENUE

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2023				
2022				
	\$	\$		
Capital contributions from customers	138,249	123,998		
Capital contributions from developers	151,884	132,838		
290,133	256,836			
Less: current portion	(8,399)	(7,339)		
281,734	249,497			
11.				
EMPLOYEE FUTURE BENEFITS				
(a) Pension plans				
The Company's participating employer contributions under OMERS for the year ended December 31, 2023 amounted to \$5,340 [2022 - \$5,721].				
(b) Other employee future benefits				
Employee future benefits are calculated using an annual compensation rate increase of 2.0% [2022 - 2.0%] and a discount rate of 4.7% [2022 - 5.1%] to calculate the liabilities. The valuations also include several other economic and demographic assumptions including mortality rates. The mortality assumption is based on the Canadian Pensioners' Mortality report published by the Canadian Institute of Actuaries in February 2014.				
11. EMPLOYEE FUTURE BENEFITS [CONTINUED]				
Information about the Company's employee future benefits other than pension plans is as follows:				
	2023			
\$ 2022				
\$				
Defined benefit obligation, beginning of year	11,526	14,376		
Current service costs	265	407		
Interest on defined benefit obligation	613	431		
Remeasurement of the defined benefit obligation	-	(557)		
Benefit payments	(843)	(788)		
Actuarial loss (gain)	314	(2,343)		
Defined benefit obligation, end of year	11,875	11,526		
An actuarial extrapolation was performed as at December 31, 2023. As a result of this exercise, the Company increased the accumulated liability by \$349 [December 31, 2022 - decreased by \$2,850 based on an actuarial valuation]. Significant changes in actuarial assumptions related to discount rates, future health and dental costs, mortality rates and retirement age may affect the valuation of the defined benefit obligation.				
12. NOTES PAYABLE				
The Company currently has the following unsecured promissory notes to Hydro Ottawa Holding Inc.:				
2023	2022			
\$	\$			
4.97% promissory note, due December 19, 2036 50,000 50,000 4.14% for the first five years [3.99% thereafter] promissory note, issued May 14, 2013 and due May 14, 2043 107,185 107,185				
2.72% for the first five years [2.61% thereafter] promissory note, issued February 9, 2015 and due February 3, 2025 138,667 138,667				
3.77% for the first five years [3.64% thereafter] promissory note, issued February 9, 2015 and due February 2, 2045 121,333 121,333				
2.72% for the first five years [2.61% thereafter] promissory note, issued June 25, 2015 and due June 25, 2025 15,999 15,999				
3.77% for the first five years [3.64% thereafter] promissory note, issued June 25, 2015 and due June 25, 2045 14,001 14,001				

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2.66% promissory note, due October 16, 2029	87,500	87,500
3.21% promissory note, due October 16, 2049	162,500	162,500
3.57% grid promissory note issued July 5, 2021 and due on demand		80,000
80,000		
4.94% grid promissory note issued August 9, 2022 and due on demand		30,000
30,000		
4.56% grid promissory note issued July 6, 2023 and due on demand		30,000
- 837,185 807,185		
12. NOTES PAYABLE [CONTINUED]		
The grid promissory note facility bears fixed-rate interest based on the cost of long-term debt for Ontario's Regulated Utilities in accordance with the OEB's cost of capital calculations. Hydro Ottawa Holding Inc. does not intend to recall any amounts due on demand in 2024.		
The promissory notes and the grid promissory note facility are subordinated and postponed to the obligation of the Company to a third party for the payment in full of any secured indebtedness and any and all security interests granted to secure such obligations of the Company.		
13. CAPITAL DISCLOSURES		
The Company's main objectives when managing capital are to:		
? Ensure continued access to funding to maintain and improve the operations and infrastructure of the Company;		
? Ensure compliance with covenants related to the credit facilities and senior unsecured debentures entered into by its parent company, Hydro Ottawa Holding Inc.; and		
? Align Hydro Ottawa Limited's capital structure with the debt to equity structure recommended by the OEB. The Company's capital consists of the following:		
2023		
\$		
2022		
\$		
Working capital facility	65,310	62,412
Notes payable	837,185	807,185
Total debt	902,495	869,597
Shareholder's equity	466,113	437,315
Total capital	1,368,608	1,306,912
Debt capitalization ratio		
65.94 %		
66.54 %		
The Company is in compliance with all financial covenants and limitations associated with its credit facilities and its long-term debt.		
The Company is deemed by the OEB to have a capital structure that is funded by 56% long-term debt, 4% short-term debt and 40% equity. The OEB uses this deemed structure only as a basis for setting distribution rates. As such, the Company's actual capital structure may differ from the OEB deemed structure.		

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<p>The Company met its capital management objectives, which have not changed during the year.</p> <p>14. SHARE CAPITAL</p> <p>(a) Authorized</p> <p>Unlimited number of voting first preferred shares, redeemable at one dollar per share Unlimited number of non-voting second preferred shares, redeemable at ten dollars per share</p> <p>Unlimited number of non-voting third preferred shares, redeemable at one hundred dollars per share</p> <p>Unlimited number of voting fourth preferred shares [ten votes per share], redeemable at one hundred dollars per share Unlimited number of voting Class A common shares Unlimited number of non-voting Class B common shares</p> <p>Unlimited number of non-voting Class C common shares, redeemable at the price at which such shares are issued The above shares are without nominal or par value.</p> <p>Holders of second preferred shares, fourth preferred shares and common shares are entitled to receive dividends as and when declared by the Board of Directors at their discretion.(b) Issued</p> <p>2023</p> <p>\$</p> <p>2022</p> <p>\$</p> <p>154,789,001 Class A common shares 167,081 167,081</p> <p>Any invitation to the public to subscribe for shares of the Company is prohibited by shareholder resolution.</p> <p>No dividends were declared by the Board of Directors in 2023. [2022 - April 14, 2022, the Board of Directors declared a \$7,500 dividend to the sole shareholder, Hydro Ottawa Holding Inc., which was paid on April 21, 2022].</p> <p>Subsequent to year-end, the Board of Directors declared a \$11,500 dividend on April 23, 2024 on the common shares of the Company outstanding on December 31, 2023.</p> <p>15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT</p> <p>(a) Fair value disclosures</p> <p>The carrying values of the Company's financial instruments, except for notes payable, approximates fair value because of the short maturity and nature of the instruments. The fair value measurement of the financial instrument for which the fair value has been disclosed is included in Level 2 of the fair value hierarchy [Note 3(e)].</p> <p>The Company has estimated the fair value of the notes payable as at December 31, 2023 as amounting to \$765,259 [2022 - \$716,892]. The fair value has been determined based on discounting all future payments of interest and the principal repayment on January 1, 2024, at the estimated interest rate of 4.6% [2022 - 4.8%] that would be available to the Company on December 31, 2023.(b) Market risk</p> <p>The Company is exposed to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risks: interest rate risk, foreign exchange risk and commodity price risk.</p> <p>15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]</p> <p>(b) Market risk [continued]</p>			
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(i) Interest rate risk

The Company is exposed to interest rate risk on its borrowings. The Company mitigates exposure to interest rate risk by fixing interest rates on its notes payable with its parent company. Under Hydro Ottawa Holding Inc.'s credit facilities, any advances on its operating line would expose the Company to fluctuations in short term interest rates related to prime rate loans and bankers' acceptances as all short-term financing requirements are obtained through its parent company, which passes on its borrowing costs. The interest rate risk is deemed to be low due to the immaterial cost of its short-term borrowings. For the most part, the borrowing requirements are for a very short duration as the advances serve to bridge gaps between the cash outflow related to the monthly power bill and the inflows related to the settlements with customers and, as such, there is very limited exposure to interest rate risk.

A sensitivity analysis was conducted to examine the impact of a change in the prime rate on the Company's advances from Hydro Ottawa Holding Inc. A variation of 1% [100 basis points], with all other variables held constant, would increase or decrease the annual interest expense by approximately \$588. The Company is also exposed to fluctuations in interest rates as its regulated rate of return is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

(ii) Foreign exchange risk

As at December 31, 2023, the Company has limited exposure to fluctuations in foreign currency exchange rates. The Company does purchase a small proportion of goods and services that are denominated in foreign currencies, predominately the US dollar. The impact of the fluctuation of foreign currencies on the gains or losses of accounts payable denoted in foreign currencies is not material.

(c) Credit risk

Credit risk is the risk that a counterparty will default on its obligations, causing a financial loss to the Company. Concentration of credit risk associated with accounts receivable is limited due to the large number of customers the Company services. The Company has approximately 364,000 customers, the majority of which are residential. As a result, the Company did not earn a significant amount of revenue and does not have a significant receivable from any individual customer.

The Company performs ongoing credit evaluations of its customers and requires collateral to support non-residential customer accounts receivable on specific accounts to mitigate significant losses in accordance with OEB legislation. As at December 31, 2023, the Company held security deposits related to power recovery and distribution sales in the amount of \$14,336 [2022 - \$14,533] with respect to these customers.

The Company monitors and limits its exposure to credit risk on a continuous basis. The Company applies the IFRS 9 simplified approach to measuring expected

credit losses which uses a lifetime expected loss allowance for all trade and other receivables. The expected loss rates for trade receivables are based on the payment profiles of sales over a period of twelve months before December 31, 2023 or December 31, 2022 respectively and the corresponding historical credit losses experienced within this period and other information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]

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(c) Credit risk [continued]

On that basis, the loss allowance as at December 31, 2023 and December 31, 2022 was determined as follows for trade and other receivables.

Gross carrying amount
\$

Weighted average loss rate

Loss allowance
\$

Net carrying amount
\$

December 31, 2023

Outstanding for 30 days or less

93,099

0.00 %

—

93,099

Outstanding for more than 30 days but not more than 120 days	5,764
--	-------

19.67 % 1,134 4,630

Outstanding for more than 120 days	5,371	41.39 %	2,223	3,148
------------------------------------	-------	---------	-------	-------

Unbilled receivables related to electricity	86,259	0.91 %	784
---	--------	--------	-----

85,475 190,493 4,141 186,352

December 31, 2022

Outstanding for 30 days or less

78,833

0.00 %

78,833

Outstanding for more than 30 days but not more than 120 days	8,661
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13.66 %	1,183	7,478
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Outstanding for more than 120 days	3,323	64.67 %	2,149	1,174
------------------------------------	-------	---------	-------	-------

Unbilled receivables related to electricity	82,660	0.82 %	675
---	--------	--------	-----

81,985	173,477	4,007	169,470
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The following table reconciles the opening and closing loss allowance for trade and other receivables:

\$ \$

Loss allowance, beginning of year	4,007	3,139
-----------------------------------	-------	-------

Net remeasurement of loss allowance	2,323	2,431
-------------------------------------	-------	-------

Write-offs	(2,344)	(1,709)
------------	---------	---------

Recoveries of amounts previously written-off	155	146
--	-----	-----

Loss allowance, end of year	4,141	4,007
-----------------------------	-------	-------

Impairment losses on trade and other receivables are presented as net impairment losses within the statement of income. When a receivable is deemed to be uncollectible, it is written off and the expected loss allowance is adjusted accordingly. Subsequent recoveries of receivables previously provisioned or written off result in a reduction of impairment losses included in operating costs in the statement of income.

As at December 31, 2023, there were no significant concentrations of credit risk with respect to any class of financial assets or counterparties and the Company's maximum exposure to credit risk is equal to the carrying value of accounts receivable less customer deposits held.

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15.	FINANCIAL INSTRUMENTS AND RISK MANAGEMENT [CONTINUED]
(d)	Liquidity risk
Liquidity risk is the risk that the Company will not meet its financial obligations as they come due. The Company's parent, Hydro Ottawa Holding Inc., manages all the financing and investing activities for the Company. The Company has access to credit facilities with Hydro Ottawa Holding Inc. [Note 8]. These credit facilities are available to the Company to help meet its financial obligations as they come due.	
Liquidity risks associated with financial commitments are as follow:	
Due within one year	
\$	
2023	
Due between one and five years	
\$	
Due after five years	
\$	
Working capital facility 65,310 - -	
Accounts payable and accrued liabilities 187,484 - -	
Notes payable	
4.97% promissory note, due December 19, 2036 - - 50,000	
4.14% for the first five years [3.99% thereafter] promissory note, due May 14, 2043 - - 107,185	
2.72% for the first five years [2.61% thereafter] promissory note, due February 3, 2025 - 138,667 -	
3.77% for the first five years [3.64% thereafter] promissory note, due February 2, 2045 - - 121,333	
2.72% for the first five years [2.61% thereafter] promissory note, due June 25, 2025 - 15,999 -	
3.77% for the first five years [3.64% thereafter] promissory note, due June 25, 2045 - - 14,001	
2.66% promissory note, due October 16, 2029 - - 87,500	
3.21% promissory note, due October 16, 2049 - - 162,500	
3.57% grid promissory note issued July 5, 2021 and due on demand - 80,000 -	
4.94% grid promissory note issued August 9, 2022 and due on demand - 30,000 -	
4.56% grid promissory note issued July 6, 2023 and due on demand - 30,000 -	
Interest to be paid on notes payable 28,979 77,461 270,989	
281,773 372,127 813,508	
16.	REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER SOURCES
The Company's revenue breakdown is as follows:	
2023	
\$	
2022	
\$	

Corporation's name	Business number	Tax year end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

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Revenue from contracts with customers				
Power recovery and distribution				
General service (1)	604,514	587,499		
Residential service (2)	420,648	422,311		
Large Users (3)	61,513	63,576		
	1,086,675	1,073,386		
Other				
Service work related to distribution operations				
	5,921			
	6,681			
Pole attachment and duct rentals	3,874	3,689		
Capital contributions from customers amortized to revenue		3,829	3,545	
Account-related charges	3,349	3,304		
Shared service agreements and miscellaneous		4,933	4,361	
	21,906	21,580		
	1,108,581	1,094,966		
Revenue from other sources				
Other				
Investment property rentals	901	1,102		
Capital contributions from developers amortized to revenue		4,126	3,579	
	5,027	4,681		
	1,113,608	1,099,647		
(1) General service means a service supplied to premises other than those receiving residential service and large users and typically includes small businesses and bulk-metered multi-unit residential establishments. This service is provided to customers with a monthly peak demand of less than 5,000 kW averaged over a twelve-month period.				
(2) Residential service means a service that is for domestic or household purposes, including single family or individually metered multifamily units and seasonal occupancy.				
(3) Large users means a service provided to a customer with a monthly peak demand of 5,000 kW or greater averaged over a twelve-month period.				
17. OPERATING COSTS				
2023				
2022				
	\$	\$		
	Salaries, wages and benefits	72,570	77,625	
	Contracted services - distribution system maintenance		21,032	
15,133	Contracted services - customer owned plant	6,493	6,016	
	Other electricity distribution costs	13,242	9,238	
	Other general and administrative expenses	42,513	37,922	
	(Gain) loss on disposals of property, plant and equipment		(469)	
1,239	Capital recovery	(26,508)	(28,632)	
		128,873	118,541	
18. FINANCING COSTS				
2023				
2022				
	\$	\$		
	Long-term interest	28,278	26,718	
	Short-term interest and fees	3,730	1,324	
	Less: capitalized borrowing costs	(694)	(849)	
		31,314	27,193	
19. INCOME TAXES				
Income tax expense recognized in net income comprises the following:				

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Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

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2023		
\$		
2022		
\$		
Current tax expense		
Current income tax (recovery) expense	(257)	754
Deferred tax expense		
Origination and reversal of temporary differences	8,574	11,625
Income tax expense recognized in net income	8,317	12,379
Income tax expense recognized in other comprehensive income comprises the following:		
2023		
\$		
2022		
\$		
Income tax effect of actuarial (loss) gain on defined benefit obligations		
(113)	845	
19. INCOME TAXES [CONTINUED]		
The provision for income taxes differs from the amount that would have been recorded using the combined Canadian federal and Ontario statutory income tax rates. A reconciliation between the statutory and effective tax rates is provided as follows:		
Federal and Ontario statutory income tax rate		
2023		
\$		
26.50 %		
2022		
\$		
26.50 %		
Income before income taxes	37,115	45,085
Income taxes at statutory rate	9,835	11,948
Increase (decrease) in income taxes resulting from:		
Permanent differences	65	57
Provision to tax return adjustment	(316)	-
Current tax recovery from loss carryback	(888)	-
Other	(379)	374
8,317	12,379	
Effective income tax rate		
22.41 %		
27.46 %		
The Company, as a rate-regulated enterprise, can recognize deferred income tax assets and liabilities and related regulatory balances for the amount of deferred income taxes expected to be refunded to, or recovered from, customers in future electricity rates.		
Significant components of the Company's deferred income tax liability are as		

Corporation's name	Business number	Tax year end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

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follows:			
2023			
2022			
\$ \$			
Property, plant and equipment and intangible assets	(94,999)	(81,803)	
Employee future benefits	4,281	4,156	
Other temporary differences	8,090	3,480	
(82,628)	(74,167)		
Movements in the deferred income tax (liability) asset during the year were as follows:			
2023			
\$ 2022			
\$			
Deferred tax, beginning of year	(74,167)	(61,697)	
Recognized in net income	(8,574)	(11,625)	
Recognized in OCI related to employee future benefits	113	(845)	
Deferred tax, end of year	(82,628)	(74,167)	
19. INCOME TAXES [CONTINUED]			
The Company's regulatory deferral account debit balance for the amounts of deferred income taxes expected to be collected from customers in future electricity rates is \$82,622 [2022 - \$74,238].			
20. CHANGES IN NON-CASH WORKING CAPITAL AND OTHER OPERATING BALANCES			
2023			
\$			
2022			
\$			
Accounts receivable	(16,882)	(3,601)	
Prepaid expenses	(1,792)	(1,278)	
Accounts payable and accrued liabilities	16,991	(7,956)	
Net change in accruals related to property, plant and equipment		408	
(1,553)Net change in accruals related to intangible assets	(854)	3,857	
(2,129)	(10,531)		
21. CONTINGENT LIABILITIES			
Purchasers of electricity in Ontario including the Company, through the Independent Electricity System Operator ['IESO'], are required to provide security to mitigate the risk of their default based on their expected activity in the market. The IESO could draw on these guarantees if the Company fails to make a payment required by a default notice issued by the IESO. A prudential support obligation is calculated based upon a default protection amount and the distributor's trading limit less a reduction for the distributor's credit rating. As at December 31, 2023, the Company had drawn standby letters of credit in the amount of \$10,000 [2022 - \$10,000] against its credit facility to cover its prudential support obligation. The Company participates with other electrical utilities in Ontario in an agreement to exchange reciprocal contracts of indemnity through the Municipal Electrical Association Reciprocal Insurance Exchange. The Company is liable for additional assessments to the extent premiums collected and reserves established are not sufficient to cover the cost of claims and costs incurred. If any additional assessments were required in the future, their cost would be charged to income in the year during which they occur.			

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<p>The Company is party to connection and cost recovery agreements with HONI as described in Note 7. Each of the Company's CCRAs has a term of 25 years. To the extent that the cost of the project is not recoverable from future transformation connection revenues, the Company is obligated to pay a capital contribution equal to the difference between these revenues and the construction costs allocated to the Company. These agreements require periodic reviews whereby a comparison of actual to forecasted load is conducted, and a true-up calculation performed. When a true-up calculation shows the Company's actual load for the past period and updated load forecast for the future period are lower than the initial load, the Company is obligated to make up this shortfall. When the Company's actual load and updated load forecast are higher than the initial load, the Company is entitled to a rebate. HONI is expected to perform true-up calculations in years 5 and 10 and in year 15 if the difference between the actual incremental load and initial load at the end of year 10 is greater than 20%. Various lawsuits have been filed against the Company for incidents that arose in the ordinary course of business. In the opinion of management, the outcomes of the lawsuits, now pending, are neither determinable nor material. Should any loss result from the resolution of these claims, such losses would be claimed through the Company's insurance carrier, with any unrecoverable amounts charged to income in the year of resolution.</p> <p>22. COMMITMENTS</p> <p>The Company has \$119,368 in total open commitments for 2024 to 2030. This includes commitments relating to IT infrastructure management services, construction projects, and overhead and underground services.</p> <p>23. RELATED PARTY TRANSACTIONS</p> <p>Transactions with related parties occur in the normal course of business, and are transacted at the amount of consideration determined and agreed to by the related parties. Trade amounts due from and to related parties are non-interest bearing, result from normal operations and are due within one year.</p> <p>(a) Transactions with ultimate shareholder and its subsidiaries</p> <p>During the year, the Company earned revenue from the sale of electricity to the City of Ottawa and its subsidiaries, which is billed at prices and terms approved by the OEB, and earned other revenue totaling \$294 [2022 - \$364]. The Company also received \$4,235 [2022 - \$6,055] in contributions relating to the upgrade and/or expansion of the Company's existing electricity distribution infrastructure.</p> <p>The Company incurred \$3,399 [2022 - \$3,298] in property taxes and \$nil [2022 - \$431] in conservation and demand management rebate costs, and purchased \$994 [2022 - \$1,269] in fuel, permits and other services during the year, which is included in operating costs. The Company also incurred \$55 [2022 - \$846] in building permit costs and development charges, which are included in property, plant and equipment.</p> <p>At December 31, 2023, the Company's accounts receivable and customer deposits include \$8,605 [2022 - \$9,833] and \$1,866 [2022 - \$1,711], respectively, while the Company's accounts payable and accrued liabilities include \$152 [2022 - \$207] due to the City of Ottawa and its subsidiaries.</p> <p>(b) Transactions with parent</p> <p>During the year, the Company earned revenue of \$1,335 [2022 - \$1,386] relating to the provision of administrative and corporate services and interest charges.</p> <p>The Company incurred \$6,437 [2022 - \$5,023] in operating costs related to the purchase of administrative and corporate support services that includes compensation for certain key management personnel, and \$3,717 [2022 - \$1,310]</p>
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Corporation's name	Business number	Tax year end Year Month Day
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<p>in short- term financing costs.</p> <p>At December 31, 2023, the Company's accounts payable and accrued liabilities include \$2,980 [2022 - \$4,183] due in respect of the transactions described. The Company incurred \$28,278 [2022 - \$26,718] in financing costs during the year on its notes payable to Hydro Ottawa Holding Inc. described in Note 12 of these financial statements.</p> <p>(c) Transactions with other related parties</p> <p>During the year, the Company earned revenue from the sale of electricity to other related parties, which is billed at prices and terms approved by the OEB, and earned other revenue of \$4,062 [2022 - \$3,489]. The Company also received \$343 [2022 - \$326] in contributions relating to the upgrade and/or expansion of the Company's existing electricity distribution infrastructure. During the year, the Company purchased power of \$13,499 [2022 - \$23,732], acquired property, plant and equipment of \$2,200 [2022 - \$437], and incurred \$411 [2022 - \$233] in operating costs.</p> <p>In 2023, the Company sold investment property to a related party for cash proceeds of \$523. No gain or loss was recognized on the transaction.</p> <p>23. RELATED PARTY TRANSACTIONS [CONTINUED]</p> <p>(c) Transactions with other related parties [continued]</p> <p>At December 31, 2023, the Company's accounts receivable include \$837 [2022 - \$724] due in respect of the transactions above while accounts payable and accrued liabilities include \$3,974 [2022 - \$4,305] due to other related parties.</p>

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Hydro Ottawa Limited/Hydro Ottawa Limitee

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
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Assets – lines 1000 to 2599

1060	186,352,000	1066	1,139,000	1484	6,172,000
1599	193,663,000	1680	160,978,000	1681	-22,975,000
1740	1,780,012,000	1741	-375,434,000	1900	479,000
2008	1,941,469,000	2009	-398,409,000	2010	174,143,000
2011	-68,692,000	2178	174,143,000	2179	-68,692,000
2420	131,843,000	2589	131,843,000	2599	1,974,017,000

Liabilities – lines 2600 to 3499

2620	187,484,000	2860	65,310,000	2960	8,399,000
3139	261,193,000	3140	837,185,000	3220	281,734,000
3240	82,628,000	3270	11,875,000	3320	33,289,000
3450	1,246,711,000	3499	1,507,904,000		

Shareholder equity – lines 3500 to 3640

3500	167,081,000	3600	299,032,000	3620	466,113,000
3640	1,974,017,000				

Retained earnings – lines 3660 to 3849

3660	270,234,000	3680	28,798,000	3849	299,032,000
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Hydro Ottawa Limited/Hydro Ottawa Limitee

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

Description
Sequence number 0003 01

Revenue – lines 8000 to 8299

8000	1,117,944,000	8089	1,117,944,000	8210	469,000
8299	1,118,413,000				

Cost of sales – lines 8300 to 8519

8320	878,410,000	8518	878,410,000	8519	239,534,000
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Operating expenses – lines 8520 to 9369

8570	8,646,000	8670	55,441,000	8740	31,314,000
9010	13,242,000	9060	72,570,000	9110	27,525,000
9270	-21,855,000	9284	16,005,000	9367	202,888,000
9368	1,081,298,000	9369	37,115,000		

Extraordinary items and taxes – lines 9970 to 9999

9970	37,115,000	9990	-257,000	9995	8,574,000
9999	28,798,000				

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Hydro Ottawa Limited/Hydro Ottawa Limitee



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
Hydro Ottawa Limited/Hydro Ottawa Limitee		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 28,798,000 A

Add:

Provision for income taxes – current	101	-257,000	
Provision for income taxes – deferred	102	77,334	
Interest and penalties on taxes	103	10,037	
Amortization of tangible assets	104	55,441,000	
Amortization of intangible assets	106	8,646,000	
Loss on disposal of assets	111	635,382	
Charitable donations and gifts from Schedule 2	112	59,554	
Scientific research expenditures deducted per financial statements	118	5,408,723	
Non-deductible meals and entertainment expenses	121	106,683	
Other reserves on lines 270 and 275 from Schedule 13	125	6,796,232	
Reserves from financial statements – balance at the end of the year	126	4,140,541	
Subtotal of additions		81,064,486	81,064,486

Add:

Other additions:

1 Description	2 Amount		
605	295		
1 Inducement under 12(1)(x) ITA	23,673		
2 Employee Future Benefits expensed in F/S	877,700		
3 Bonus accrual not paid in 180 days after the YE	65,272		
4 Capital lease payment expensed in P&L	28,930		
Total of column 2	995,575	296	995,575
Subtotal of other additions	199	995,575	995,575 D
Total additions	500	82,060,061	82,060,061

Amount A plus line 500 110,858,061 B

Deduct:

Capital cost allowance from Schedule 8	403	88,812,506	
Other reserves on line 280 from Schedule 13	413	6,775,541	
Reserves from financial statements – balance at the beginning of the year	414	4,006,232	
Subtotal of deductions		99,594,279	99,594,279

Deduct:

Other deductions:

1 Description	2 Amount
705	395
1 AFUDC [13(7.4) election]	694,333
2 Employee Future Benefits paid during the year	842,900
3 Deferred Revenue Amortization	7,725,415
4 IBM lease payment	102,253
5 ITC recorded in P&L	179,986

Hydro Ottawa Limited/Hydro Ottawa Limitee

	1 Description	2 Amount			
	705	395			
6	Current SRED exp capitalized in acctg	4,643,539			
7	Prior year bonus true up - accounting	35,872			
8		0			
	Total of column 2	14,224,298	▶	396	14,224,298
		Subtotal of other deductions		499	14,224,298 ▶
		Total deductions		510	113,818,577 ▶
					14,224,298 E
					113,818,577
	Net income (loss) for income tax purposes (amount B minus line 510)				-2,960,516 C
	Enter amount C on line 300 of the T2 return.				

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Inducement

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

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

Tax credits whose amount should be added to income

Federal

A		
<input type="checkbox"/>	Investment tax credit from apprenticeship job creation expenditures	6,000
<input checked="" type="checkbox"/>	Investment tax credit from child care spaces expenditures	
<input type="checkbox"/>	Canadian film or video production tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
<input type="checkbox"/>	Film or video production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
<input checked="" type="checkbox"/>	Investment tax credit claimed on contributions made to SR&ED farming organizations	
<input type="checkbox"/>	Canadian journalism labour tax credit	
<input type="checkbox"/>	Return of fuel charge proceeds to farmers tax credit	
<input type="checkbox"/>	Air quality improvement tax credit*	
	* Please verify if the credit amount relates to depreciable property For more information, consult the Help (F1).	

Ontario

A		
<input checked="" type="checkbox"/>	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	23,673
<input type="checkbox"/>	Ontario co-operative education tax credit	100,353
<input type="checkbox"/>	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).	
<input type="checkbox"/>	Ontario film and television tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
<input type="checkbox"/>	Ontario production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
<input type="checkbox"/>	Ontario interactive digital media tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
<input type="checkbox"/>	Ontario book publishing tax credit	
<input checked="" type="checkbox"/>	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	
<input type="checkbox"/>	Ontario business-research institute tax credit	
<input type="checkbox"/>	Ontario community food program donation tax credit for farmers	

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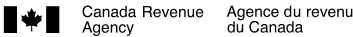
Hydro Ottawa Limited/Hydro Ottawa Limitee



Tax credits whose amount should reduce the capital cost of property

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Hydro Ottawa Limited/Hydro Ottawa Limitee



Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		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)
Canadian Cancer Society	100
CanadaHelps CanaDon	100
The Ottawa Hospital	100
Heart & Stroke Foundation	100
The Ottawa Hospital	100
Anglican Diocese of Ottawa	100
United Way	200
Heart & Stroke Foundation	102
Algonquin College	5,000
My Tribute Gift Foundation	200
Canadian Tire Jumpstart Charities	200
Renfrew County South	400
United Way	49,602
Our Youth at Work Association	1,000
Ian Anderson House Foundation	250
Wabano Centre for Aboriginal Health	1,750
Canadian Cancer Society	200
	Subtotal 59,504
	Add: Total donations of less than \$100 each 50
	Total donations in current tax year 59,554

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 1 – Charitable donations

	Federal	Québec	Alberta
Charitable donations at the end of the previous tax year	27,550 1A	27,550	27,550
Charitable donations expired after five tax years*	239		
Charitable donations at the beginning of the current tax year (amount 1A minus line 239)	240 27,550	27,550	27,550
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 59,554	59,554	59,554
Subtotal (line 250 plus line 210)	59,554 1B	59,554	59,554
Subtotal (line 240 plus amount 1B)	87,104 1C	87,104	87,104
Adjustment for an acquisition of control	255		
Total charitable donations available (amount 1C minus line 255)	87,104 1D	87,104	87,104
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2)	260		
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount 1D minus line 260)	280 87,104	87,104	87,104
The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262		
Ontario community food program donation tax credit for farmers (amount on line 262 multiplied by 25 %)	1		
Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).			
The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	263		
Nova Scotia food bank tax credit for farmers (amount on line 263 multiplied by 25 %)	2		
Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.			
The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016, and before January 1, 2027)	265		
British Columbia farmers' food donation tax credit (amount on line 265 multiplied by 25 %)	3		
Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.			
* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.			

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1 st prior year	2022-12-31	27,550	27,550	27,550
2 nd prior year	2021-12-31			
3 rd prior year	2020-12-31			
4 th prior year	2019-12-31			
5 th prior year	2018-12-31			
6 th prior year*	2017-12-31			
7 th prior year	2016-12-31			
8 th prior year	2015-12-31			
9 th prior year	2014-12-31			
10 th prior year	2013-12-31			
11 th prior year	2012-12-31			
12 th prior year	2011-12-31			
13 th prior year	2010-12-31			
14 th prior year	2009-12-31			
15 th prior year	2008-12-31			
16 th prior year	2007-12-31			
17 th prior year	2006-12-31			
18 th prior year	2005-12-31			
19 th prior year	2004-12-31			
20 th prior year	2003-12-31			
21 st prior year*	2002-12-31			
Total (to line A)		27,550	27,550	27,550

* 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.

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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	410		
(include this amount on line 112 of Schedule 1)			
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	460		
(enter this amount on line 313 of the T2 return)			
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
1 st prior year	2022-12-31			
2 nd prior year	2021-12-31			
3 rd prior year	2020-12-31			
4 th prior year	2019-12-31			
5 th prior year	2018-12-31			
6 th prior year*	2017-12-31			
7 th prior year	2016-12-31			
8 th prior year	2015-12-31			
9 th prior year	2014-12-31			
10 th prior year	2013-12-31			
11 th prior year	2012-12-31			
12 th prior year	2011-12-31			
13 th prior year	2010-12-31			
14 th prior year	2009-12-31			
15 th prior year	2008-12-31			
16 th prior year	2007-12-31			
17 th prior year	2006-12-31			
18 th prior year	2005-12-31			
19 th prior year	2004-12-31			
20 th prior year	2003-12-31			
21 st 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.

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Part 4 – Gifts of certified ecologically sensitive land

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

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

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date	Federal	Québec	Alberta
Year of origin:			
1 st prior year	2022-12-31		
2 nd prior year	2021-12-31		
3 rd prior year	2020-12-31		
4 th prior year	2019-12-31		
5 th prior year	2018-12-31		
6 th prior year*	2017-12-31		
7 th prior year	2016-12-31		
8 th prior year	2015-12-31		
9 th prior year	2014-12-31		
10 th prior year	2013-12-31		
11 th prior year*	2012-12-31		
12 th prior year	2011-12-31		
13 th prior year	2010-12-31		
14 th prior year	2009-12-31		
15 th prior year	2008-12-31		
16 th prior year	2007-12-31		
17 th prior year	2006-12-31		
18 th prior year	2005-12-31		
19 th prior year	2004-12-31		
20 th prior year	2003-12-31		
21 st 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.

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Part 5 – Additional deduction for gifts of medicine

	Federal	Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year	5A		
Additional deduction for gifts of medicine expired after five tax years*	639		
Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A minus line 639)	640		
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650		
Additional deduction for gifts of medicine made before March 22, 2017:			
Proceeds of disposition	602		
Cost of gifts of medicine made before March 22, 2017	601		
Subtotal (line 602 minus line 601)	5B		
Amount 5B multiplied by 50 %	5C		
Eligible amount of gifts	600		
Federal			
a _____ x $\left(\frac{b}{c} \right)$	Additional deduction for gifts of medicine made before March 22, 2017 610		
Québec			
a _____ x $\left(\frac{b}{c} \right)$	Additional deduction for gifts of medicine made before March 22, 2017		
Alberta			
a _____ x $\left(\frac{b}{c} \right)$	Additional deduction for gifts of medicine made before March 22, 2017		
where:			
a is the lesser of line 601 and amount 5C			
b is the eligible amount of gifts (line 600)			
c is the proceeds of disposition (line 602)			
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.			

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Amounts carried forward – Additional deduction for gifts of medicine

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

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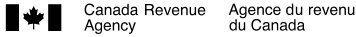
Amounts carried forward – Gifts of musical instruments

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

* These gifts expired in the current year.

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		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		-2,960,516	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")		-2,960,516	1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions			1I
Subtotal (amount 1H minus amount 1I)		-2,960,516	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")		-2,960,516	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	2,960,516	
Subtotal (line 105 plus line 110)		2,960,516	1N
Subtotal (line 102 plus amount 1N)		2,960,516	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.

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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	130	
Enter line 130 on line 331 of the T2 return.		
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)		2,960,516 1Q

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	
Second previous tax year to reduce taxable income	902	2,960,516
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)		2,960,516 1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q minus amount 1R)	180	

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.

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Part 2 – Capital losses (continued)

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

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

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

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

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

Note 8: Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year	_____	3A _____
Farm loss expired (note 9)	300 _____	_____
Farm losses at the beginning of the tax year (amount 3A minus line 300)	302 _____	➡ _____
Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	305 _____	_____
Current-year farm loss (amount 1K in Part 1)	310 _____	_____
Subtotal (line 305 plus line 310) ➡		3B _____
Subtotal (line 302 plus amount 3B)		3C _____

Other adjustments (includes adjustments for an acquisition of control)	350 _____	_____
Section 80 – Adjustments for forgiven amounts	340 _____	_____
Farm losses of previous tax years applied in the current tax year	330 _____	_____
Enter line 330 on line 334 of the T2 Return.		
Current and previous years farm losses applied against current-year taxable dividends subject to Part IV tax (note 10)	335 _____	_____
Subtotal (total of lines 350, 340, 330 and 335) ➡		3D _____
Farm losses before any request for a carryback (amount 3C minus amount 3D)		3E _____

Request to carry back farm loss to:

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

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

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

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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	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.

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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.

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Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership account number	Tax year ending YYYY/MM/DD	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 minus column 6)
600	602	604	606	608		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	Tax year ending YYYY/MM/DD	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	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	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)
630	632	634	636	638		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	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	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)
660	662	664	670	675	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.

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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	2,960,516		2,960,516	N/A		
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		2,960,516		2,960,516			

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

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Hydro Ottawa Limited/Hydro Ottawa Limitee



Canada Revenue
Agency

Agence du revenu
du Canada

Tax Calculation Supplementary – Corporations

Schedule 5

Corporation's name	Business Number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

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

Part 1 – Allocation of taxable income

100 Enter the regulation that applies (402 to 413).					
A Jurisdiction. (tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year) Note 1	B Total salaries and wages paid in jurisdiction	C B multiplied by taxable income, divided by G	D Gross revenue attributable to jurisdiction	E D multiplied by taxable income, divided by H	F Allocation of taxable income (C + E x 1/2) Note 2 (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador Yes <input type="checkbox"/>	103		143		
Newfoundland and Labrador Offshore Yes <input type="checkbox"/>	104		144		
Prince Edward Island Yes <input type="checkbox"/>	105		145		
Nova Scotia Yes <input type="checkbox"/>	107		147		
Nova Scotia Offshore Yes <input type="checkbox"/>	108		148		
New Brunswick Yes <input type="checkbox"/>	109		149		
Quebec Yes <input type="checkbox"/>	111		151		
Ontario Yes <input type="checkbox"/>	113		153		
Manitoba Yes <input type="checkbox"/>	115		155		
Saskatchewan Yes <input type="checkbox"/>	117		157		
Alberta Yes <input type="checkbox"/>	119		159		
British Columbia Yes <input type="checkbox"/>	121		161		
Yukon Yes <input type="checkbox"/>	123		163		
Northwest Territories Yes <input type="checkbox"/>	125		165		
Nunavut Yes <input type="checkbox"/>	126		166		
Outside Canada Yes <input type="checkbox"/>	127		167		
Total	129 G		169 H		

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

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

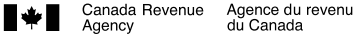
Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits	255	692,308
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If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
 If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 6

Summary of Dispositions of Capital Property

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

Designation under paragraph 111(4)(e)

Are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e)? 050 Yes ☐ No ☒

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

In the various sections of this form:

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

Part 1 – Shares

1 Number of shares	2 Name of corporation in which the shares were held	3 Class of shares	4 Date of acquisition YYYYMMDD	5 Proceeds of disposition	6 Adjusted cost base	7 Outlays and expenses from disposition	8 Gain (or loss) (column 5 minus columns 6 and 7)	A
100	105	106	110	120	130	140	150	FS PA
Totals								
Total adjustment under subsection 112(3) to all losses identified in column 8 160								
Actual gain or loss from the disposition of shares (total of column 8 plus line 160)								A

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

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

Part 3 – Bonds

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

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

1 Description of other property 400	2 Date of acquisition YYYYMMDD 410	3 Proceeds of disposition 420	4 Adjusted cost base 430	5 Outlays and expenses from disposition 440	6 Gain (or loss) (column 3 minus columns 4 and 5) 450	A FS PA
Cambrian Land		523,077	523,077			
Totals		523,077	523,077			D

Note

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

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

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

Note

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

Part 6 – Listed personal property

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

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

655

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

F

Note

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

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

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

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

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

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

Note

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

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Part 8 – Capital gains or losses

Total of amounts A to F (do not include amount F if it is a loss)	_____	H		
			FS	PA
Capital gains dividend received in the year	875	_____	<input type="checkbox"/>	<input type="checkbox"/>
Capital gains reserve opening balance (from Part 1 of Schedule 13, Continuity of Reserves)	880	_____		
		Subtotal (amount H plus total of lines 875 and 880)		I
Capital gains reserve closing balance (from Part 1 of Schedule 13, Continuity of Reserves)	885	_____		
Capital gains or losses, excluding ABILs (amount I minus line 885)	890	=====		

Part 9 – Taxable capital gains and total capital losses


Capital gains or losses, excluding ABILs (amount from line 890 in Part 8)	_____	J		
Deduct the following amounts included in amount J, that are subject to the zero inclusion rate:				
Note When a taxpayer is entitled to an advantage in respect of a donation, the zero inclusion rate is restricted to only part of the taxpayer's capital gain on disposition of the property. See section 38.2 for more information.				
Gain on the donation to a qualified donee of a share, debt obligation, or right listed on a designated stock exchange and other securities under paragraphs 38(a.1)(i) and (iii)	895	_____	<input type="checkbox"/>	<input type="checkbox"/>
			FS	PA
Gain on the donation to a qualified donee of ecologically sensitive land under subsection 38(a.2)*	896	_____	<input type="checkbox"/>	<input type="checkbox"/>
			FS	PA
Exempt portion of the gain on the donation of securities arising from the exchange of a partnership interest under subsection 38(a.3)	_____	a	<input type="checkbox"/>	<input type="checkbox"/>
		Subtotal (line 895 plus line 896 plus line a)		K
		Subtotal (amount J minus amount K)		L
Deemed capital gain from the donation of property included in a flow-through share class of property to a qualified donee under subsection 40(12):				
Exemption threshold at time of disposition	897	=====		
The total of all capital gains from the actual disposition of the property	898	=====		
			FS	PA
		Line 897 or line 898, whichever is less		M
Taxable capital gains under section 34.2 (line 275 of Schedule 73, Income Inclusion Summary for Corporations that are Members of Partnerships)				
	x	2 =	899	_____
		Subtotal (total of amounts L and M plus line 899)		N
Allowable capital losses under section 34.2 (line 285 of Schedule 73, Income Inclusion Summary for Corporations that are Members of Partnerships)				
	x	2 =	901	_____
		Subtotal (amount N minus line 901)		O
Portion of the capital gain that is subject to a 100% inclusion rate per 100(1) **				
	x	2 =	902	_____
		Total capital gains or losses (amount O plus line 902)		P
Taxable capital gains or total capital losses				
Total capital losses (if amount P is negative, enter amount P; if amount P is positive, enter "0")		_____		Q
Enter amount Q on line 210 of Schedule 4.				
Taxable capital gains (if amount P is positive, enter the result of amount P multiplied by 50.0000 %; if amount P is negative, enter "0")		_____		R
Enter amount R on line 113 of Schedule 1.				

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

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

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

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

Is the corporation electing under Regulation 1101(5q)? **101** Yes ☐ No ☒

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

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

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

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

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

1 Name of EPOP	2 Identification number See note 1	3 Percentage assigned under the agreement
110	115	120
1. Hydro Ottawa Limited/Hydro Ottawa Limitee		100.000
2. Hydro Ottawa Holding Inc./Societe De Portefeuille D'Hydro O ttawa Inc.		
3. Energy Ottawa Inc./Energie Ottawa Inc.		
4. Telecom Ottawa Holding Inc. / Societe De Portefeuille De Telecom Ottawa Inc.		
5. PowerTrail Inc.		
6. Moose Creek Energy Inc.		
7. Chaudiere Hydro Inc. Hydro Chaudiere Inc.		
8. Chaudiere Water Power Inc/Energie Hydraulique De La Chaudiere Inc		
9. 2425932 ONTARIO INC.		
10. CHAUDIERE HYDRO NORTH INC.		
11. EO GENERATION GP INC.		
12. THE GANANOQUE WATER POWER COMPANY		
13. EONY GENERATION HOLDING INC.		
14. EONY GENERATION LIMITED		
15. 9927891 CANADA INC.		
16. ENERGY OTTAWA CABLE TESTING SERVICES INC.		
17. HULL ENERGY GP INC.		
18. Smart City Lighting Inc.		

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1	2	3
Name of EPOP	Identification number See note 1	Percentage assigned under the agreement
110	115	120
19. Envari Holding Inc.		
20. Envari Energy Solutions Inc.		
21. CHAUDIERE SERVICES INC./SERVICES CHAUDIERE INC.		
22. CHAUDIERE FINANCIAL INC./FINANCIERE DE LA CHAUDIERE INC.		
23. 2725163 Ontario Inc.		
24. Hiboo Networks Inc.		
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.

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Part 2 – CCA calculation

1 Class number See note 3	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 4	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP) See note 5	5 Adjustments and transfers See note 6	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 7	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 8	8 Proceeds of dispositions See note 9
200		201	203	232	205	221	222	207
1. 1		134,303,381						0
2. 1b		80,476,697	2,161,747		-8,907			0
3. 2	Dist equip pre 88	38,707,996						0
4. 3	buildings pre 88	4,564,141						0
5. 8		7,575,974	464,422	464,422				0
6. 10		3,537,785	4,640,361	1,035,578				136,827
7. 12			3,650,229					0
8. 42		4,203,051	7,087		-4,766			0
9. 43.2	SOLAR ASSETS	50,599						0
10. 45		219						0
11. 47		652,628,794	74,405,981		-3,596			5,880
12. 50		413,275	811,280		-3,700			0
13. 14.1	Pre 2017 ECE	8,064,739						0
14. 14.1	Land Rights / Line connection	55,012,578	927,516		-5,704,098			0
15. 17	Parking Lot	1,875,232	286,801					0
16. 43.1	EV Charger		732,695					0
Totals		991,414,461	88,088,119	1,500,000	-5,725,067			142,707

1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4)	10 UCC (column 2 plus column 3 plus or minus column 5) See note 10	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See note 11	12 Immediate expensing See note 12	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	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 14 minus column 7) (if negative, enter "0") See note 14
		234		236	238		225		
1. 1			134,303,381					134,303,381	
2. 1b			82,629,537			2,161,747	2,161,747	82,629,537	

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1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4)	10 UCC (column 2 plus column 3 plus or 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	12 Immediate expensing See note 12	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	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
		234		236	238		225		
3.	2 Dist equip pre 88		38,707,996					38,707,996	
4.	3 buildings pre 88		4,564,141					4,564,141	
5.	8		8,040,396	464,422	464,422			7,575,974	
6.	10		8,041,319	1,035,578	1,035,578	3,604,783	3,604,783	7,005,741	136,827
7.	12		3,650,229			3,650,229	3,650,229	3,650,229	
8.	42		4,205,372			7,087	7,087	4,205,372	
9.	43.2 SOLAR ASSETS		50,599					50,599	
10.	45		219					219	
11.	47		727,025,299			74,405,981	74,405,981	727,025,299	5,880
12.	50		1,220,855			811,280	811,280	1,220,855	
13.	14.1 Pre 2017 ECE		8,064,739					8,064,739	
14.	14.1 Land Rights / Line connection		50,235,996			927,516	927,516	50,235,996	
15.	17 Parking Lot		2,162,033			286,801	286,801	2,162,033	
16.	43.1 EV Charger		732,695			732,695	732,695	732,695	
	Totals		1,073,634,806	1,500,000	1,500,000	86,588,119	86,588,119	1,072,134,806	142,707

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Part 2 – CCA calculation (continued)

1	Class number	Description	17 Net capital cost additions of AIP and property included in Classes 54 to 56 acquired during the year (column 14 minus column 16) (if negative, enter "0")	18 UCC adjustment for AIP and property included in Classes 54 to 56 acquired during the year (column 17 multiplied by the relevant factor) See note 15	19 UCC adjustment for property acquired during the year other than AIP and property included in Classes 54 to 56 (0.5 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	20 CCA rate % See note 17	21 Recapture of CCA See note 18	22 Terminal loss See note 19	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	24 UCC at the end of the year (column 10 minus column 23)
					224	212	213	215	217	220
1.	1					4	0	0	5,372,135	128,931,246
2.	1b		2,161,747	1,080,874		6	0	0	5,022,625	77,606,912
3.	2	Dist equip pre 88				6	0	0	2,322,480	36,385,516
4.	3	buildings pre 88				5	0	0	228,207	4,335,934
5.	8					20	0	0	1,979,617	6,060,779
6.	10		3,467,956	1,733,978		30	0	0	3,657,494	4,383,825
7.	12		3,650,229			100	0	0	3,650,229	
8.	42		7,087	3,544		12	0	0	505,070	3,700,302
9.	43.2	SOLAR ASSETS				50	0	0	25,300	25,299
10.	45					45	0	0	99	120
11.	47		74,400,101	37,200,051		8	0	0	61,138,028	665,887,271
12.	50		811,280	405,640		55	0	0	894,572	326,283
13.	14.1	Pre 2017 ECE				5	0	0	564,532	7,500,207
14.	14.1	Land Rights / Line connection	927,516	463,758		5	0	0	2,534,988	47,701,008
15.	17	Parking Lot	286,801	143,401		8	0	0	184,435	1,977,598
16.	43.1	EV Charger	732,695	1,709,621		30	0	0	732,695	
	Totals		86,445,412	42,740,867					88,812,506	984,822,300

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.

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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.

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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: <ul style="list-style-type: none">– 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: <ul style="list-style-type: none">1. Immediate expensing limit: it is equal to one of the following five amounts, whichever is applicable:<ul style="list-style-type: none">– \$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 RegulationsThe 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: <ul style="list-style-type: none">– 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

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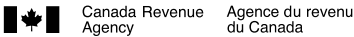
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Part 2 – CCA calculation (continued)

- 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
Hydro Ottawa Limited/Hydro Ottawa Limitee		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	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	Hydro Ottawa Holding Inc./Societe			1					
2.	Energy Ottawa Inc./Energie Ottawa			3					
3.	Telecom Ottawa Holding Inc. / Soci			3					
4.	PowerTrail Inc.			3					
5.	Moose Creek Energy Inc.			3					
6.	Chaudiere Hydro Inc. Hydro Chaud			3					
7.	Chaudiere Water Power Inc/Energie			1 3					
8.	2425932 ONTARIO INC.			3					
9.	CHAUDIERE HYDRO NORTH INC.			3					
10.	EO GENERATION GP INC.			3					
11.	THE GANANOQUE WATER POWER			3					
12.	EONY GENERATION HOLDING INC.	US		3					
13.	EONY GENERATION LIMITED	US		3					
14.	9927891 CANADA INC.			3					
15.	ENERGY OTTAWA CABLE TESTING			3					
16.	HULL ENERGY GP INC.			3					
17.	Smart City Lighting Inc.			3					
18.	Envari Holding Inc.			3					
19.	Envari Energy Solutions Inc.			3					
20.	CHAUDIERE SERVICES INC./SERVI			3					
21.	CHAUDIERE FINANCIAL INC./FINAI			3					
22.	2725163 Ontario Inc.			3					
23.	Hiboo Networks Inc.			3					
24.									
25.									
26.									

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



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Schedule 13

Continuity of Reserves

Name of corporation	Business number	Tax year end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- File one completed copy of this schedule with the corporation's T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation Income Tax Guide.

Part 1 – Capital gains reserves

Description of property	Balance at the beginning of the year \$	Transfer on an amalgamation or the wind-up of a subsidiary \$	Add \$	Deduct \$	Balance at the end of the year \$
001	002	003			004
1					
Totals	008	009			010

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

Part 2 – Other reserves

Description	Balance at the beginning of the year \$	Transfer on an amalgamation or the wind-up of a subsidiary \$	Add \$	Deduct \$	Balance at the end of the year \$
	110	115			120
Reserve for doubtful debts <input checked="" type="checkbox"/>	4,006,232		134,309		4,140,541
	130	135			140
Reserve for undelivered goods and services not rendered <input type="checkbox"/>	2,790,000			155,000	2,635,000
	150	155			160
Reserve for prepaid rent <input type="checkbox"/>					
	190	195			200
Reserve for refundable containers <input type="checkbox"/>					
	210	215			220
Reserve for unpaid amounts <input type="checkbox"/>					
	230	235			240
Other tax reserves <input type="checkbox"/>					
Totals	270 6,796,232	275	134,309	155,000	280 6,775,541

The amount from line 270 **plus** the amount from line 275 should be entered on line 125 of Schedule 1, Net Income (Loss) for Income Tax Purposes, as an addition.
The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

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Continuity of financial statement reserves (not deductible)

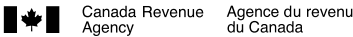
Financial statement reserves (not deductible)

1	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
	Reserves from Part 2 of Schedule 13	4,006,232		134,309		4,140,541
	Totals	4,006,232		134,309		4,140,541

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

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

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

Type of plan (see note 1)	Amount of contribution \$ (see note 2)	Registration number (RPP, RSUBP, PRPP, and DPSP only)	Name of EPSP trust	Address of EPSP trust	T4PS slip(s) (see note 3)
100	200	300	400	500	600
1	1	5,340,000	345983		

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 5,340,000 A

Less:

Total of all amounts for deferred income plans deducted in your financial statements 5,340,000 B

Deductible amount for contributions to deferred income plans

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

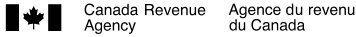
Enter amount C on line 417 of Schedule 1

Note 3

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

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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:

- Associated for purposes of allocating the business limit (unless association code 5 applies)
- 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
- Non-CCPC that is a **third corporation**
- Associated non-CCPC
- 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	2 Business number of associated corporations	3 Asso- ciation code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Hydro Ottawa Limited/Hydro Ottawa Limitee		1	500,000	100.0000	500,000
2	Hydro Ottawa Holding Inc./Societe De		1	500,000		
3	Energy Ottawa Inc./Energie Ottawa Inc.		1	500,000		
4	Telecom Ottawa Holding Inc. / Societe De		1	500,000		
5	PowerTrail Inc.		1	500,000		
6	Moose Creek Energy Inc.		1	500,000		
7	Chaudiere Hydro Inc. Hydro Chaudiere Inc.		1	500,000		
8	Chaudiere Water Power Inc/Energie Hydraulique		1	500,000		
9	2425932 ONTARIO INC.		1	500,000		
10	CHAUDIERE HYDRO NORTH INC.		1	500,000		
11	EO GENERATION GP INC.		1	500,000		
12	THE GANANOQUE WATER POWER COMPANY		1	500,000		
13	EONY GENERATION HOLDING INC.		1	500,000		
14	EONY GENERATION LIMITED		1	500,000		
15	9927891 CANADA INC.		1	500,000		
16	ENERGY OTTAWA CABLE TESTING SERVICES		1	500,000		
17	HULL ENERGY GP INC.		1	500,000		
18	Smart City Lighting Inc.		1	500,000		

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	1 Name of associated corporations	2 Business number of associated corporations	3 Asso- ciation code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
19	Envari Holding Inc.		1	500,000		
20	Envari Energy Solutions Inc.		1	500,000		
21	CHAUDIERE SERVICES INC./SERVICES		1	500,000		
22	CHAUDIERE FINANCIAL INC./FINANCIERE DE L		1	500,000		
23	2725163 Ontario Inc.		1	500,000		
24	Hiboo Networks Inc.		1	500,000		
Total					100.0000	500,000

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.

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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

Investments	Specified percentage
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 %

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Corporation's name	Business number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		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	Description of investment	Date available for use	Location used in Atlantic Canada (province)	Amount of investment
105	110	115	120	125
Total of investments for qualified property				4A

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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						6A
Enter at amount 5E.						

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).

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SR&ED

Part 8 – Qualified SR&ED expenditures

Qualified SR&ED expenditures (line 559 on Form T661)	5,628,514	
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)*	5,628,514	350 5,628,514
Repayments made in the year (from line 560 on Form T661)		370
Total qualified SR&ED expenditures (line 350 plus line 370)		380 5,628,514

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

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

Part 9 only applies if you are a CCPC.

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

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

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

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

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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	5,628,514	x	15 %	844,277 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)					844,277 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					494,149 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				494,149
Credit transferred on an amalgamation or the wind-up of a subsidiary	530				
Total current-year credit (from amount 11G)	540	844,277			
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)		844,277			844,277 12C
Total credit available (line 520 plus amount 12C)					1,338,426 12D
Credit deducted from Part I tax	560				
Credit carried back to previous years (amount 13A)		460,000			12E
Credit transferred to offset Part VII tax liability	580				
Subtotal (total of line 560, amount 12E, and line 580)		460,000			460,000 12F
Credit balance before refund (amount 12D minus amount 12F)					878,426 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				878,426

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

	Year	Month	Day				
1st previous tax year	2022	12	31	.....	Credit to be applied	911	
2nd previous tax year	2021	12	31	.....	Credit to be applied	912	460,000
3rd previous tax year	2020	12	31	.....	Credit to be applied	913	
						Total of lines 911 to 913	460,000
						Enter at amount 12E.	13A

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)	.....	878,426	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.			

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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	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)	Amount from column 700 or 710, whichever is less
700	710	
Subtotal		16A
Enter at amount 17A.		

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	B	C	D	E	F
Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement	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	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.)	Amount determined by the formula (A x B) – C	ITC earned by the transferee for the qualified expenditures that were transferred	Amount from column D or E, whichever is less
720	730	740		750	
Subtotal (total of column F)					16B
Enter at amount 17B.					

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.

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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)	17D
Enter at amount 26A.	

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

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Apprenticeship Job Creation

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

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

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

A		B		C		D		E	
Contract number (SIN or name of apprentice)		Name of eligible trade		Eligible salary and wages*		Column C x 10 %		Lesser of column D or \$ 2,000	
601		602		603		604		605	
1.									

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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.

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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) 26C

Enter on line 602 of the T2 return.

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) 27F

Enter on line 652 of the T2 return.

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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)

12,000

12,000

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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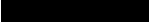
Summary of Investment Tax Credit Carryovers

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)
	844,277			460,000	384,277
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		494,149			494,149
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	494,149			494,149
B+C+D+G				Total ITC utilized	460,000
* The ITC end of year includes the amount of ITC expired from the 20 th 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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Attached Schedule with Total

1st prior year – ITC beginning of year

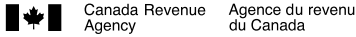
Title 1st prior year – ITC beginning of year

Description	Operator (Note)	Amount
Increase in ITC from 2020 amended tax return		494,149|00
	+	
	Total	494,149|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 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		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 1.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	
Capital stock (or members' contributions if incorporated without share capital)	103	167,081,000
Retained earnings	104	299,032,000
Contributed surplus	105	
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	895,819,523
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)		1,361,932,523 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (as per paragraph 181.2(3)(g)) where:

- A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- 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.

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Part 1 – Capital (continued)

Subtotal A (from page 1) 1,361,932,523 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	<u>121</u>
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	<u>122</u>
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.	<u>123</u>
Deferred unrealized foreign exchange losses at the end of the year	<u>124</u>

Subtotal (add lines 121 to 124) B

Capital for the year (amount A minus amount B) (if negative, enter "0") 190 1,361,932,523

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	<u>401</u>
A loan or advance to another corporation (other than a financial institution)	<u>402</u> <u>6,172,000</u>
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	<u>403</u>
Long-term debt of a financial institution	<u>404</u>
A dividend payable on a share of the capital stock of another corporation	<u>405</u>
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)	<u>406</u>
An interest in a partnership (see note 2 below)	<u>407</u>
Investment allowance for the year (add lines 401 to 407)	<u>490</u> <u>6,172,000</u>

Notes:

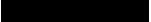
- Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
- 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.
- 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)	<u>1,361,932,523</u> C
Deduct: Investment allowance for the year (line 490)	<u>6,172,000</u> D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	<u>500</u> <u>1,355,760,523</u>

2023-12-31

Hydro Ottawa Limited/Hydro Ottawa Limitee



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
Notes Payable		837,185,000 00
Customer deposits	+	910,454 00
Customer deposits	+	43,273,520 00
Customer credit balances	+	14,450,549 00
	+	
	+	
	Total	895,819,523 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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Hydro Ottawa Limited/Hydro Ottawa Limitee

Shareholder Information

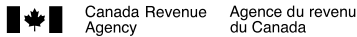
Corporation's name	Business number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

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

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

2023-12-31

Hydro Ottawa Limited/Hydro Ottawa Limitee



Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		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
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.

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 1 – General rate income pool (GRIP)

GRIP at the end of the previous tax year	100	236,035,242
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)		236,035,242 C
Eligible dividends paid in the previous tax year	300	
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)		D
GRIP before adjustment for specified future tax consequences (amount C minus amount D) (amount can be negative)	490	236,035,242
Total GRIP adjustment for specified future tax consequences to previous tax years (amount L3 in Part 2)	560	1,536,286
GRIP at the end of the tax year (line 490 minus line 560)	590	234,498,956

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.

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Hydro Ottawa Limited/Hydro Ottawa Limitee

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 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") 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

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") K1

GRIP adjustment for specified future tax consequences to the first previous tax year

(amount K1 multiplied by 0.72) 500

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Hydro Ottawa Limited/Hydro Ottawa Limitee

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 8,886,264 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) 826,786 C2

Subtotal (amount B2 plus amount C2) 826,786 826,786 D2

Subtotal (amount A2 minus amount D2) (if negative, enter "0") 8,059,478 8,059,478 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
2,960,516					2,960,516

Taxable income after specified future tax consequences 5,925,748 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") 5,925,748 5,925,748 J2

Subtotal (amount E2 minus amount J2) (if negative, enter "0") 2,133,730 K2

GRIP adjustment for specified future tax consequences to the second previous tax year

(amount K2 multiplied by 0.72) 520 1,536,286

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Hydro Ottawa Limited/Hydro Ottawa Limitee

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 927,952 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") 927,952 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") 1,536,286 L3

Enter amount L3 on line 560

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Hydro Ottawa Limited/Hydro Ottawa Limitee

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.

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Hydro Ottawa Limited/Hydro Ottawa Limitee

**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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Hydro Ottawa Limited/Hydro Ottawa Limitee



Canada Revenue Agency
Agence du revenu du Canada

Schedule 508

Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

- Use this schedule to:
 - calculate an Ontario research and development tax credit (ORDTC);
 - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
 - carry back an ORDTC earned in the tax year to reduce Ontario corporate income tax payable in any of the three previous tax years;
 - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
 - add an ORDTC transferred after an amalgamation or windup; or
 - calculate a recapture of the ORDTC.
- The ORDTC is a non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year. The ORDTC rate is:
 - 4.5% for tax years that end before June 1, 2016;
 - 3.5% for tax years that start after May 31, 2016; and
 - prorated for a tax year that ends on or after June 1, 2016, and includes May 31, 2016.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Complete and attach this schedule to the *T2 Corporation Income Tax Return* for the tax year.
- To claim this credit, you must also send in completed copies of the Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, and the Schedule 31, *Investment Tax Credit - Corporations*, within 18 months of the tax year end.

Part 1 – Ontario SR&ED expenditure pool

Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	5,399,246	A
Government assistance, non-government assistance, or a contract payment for eligible expenditures	105		B
Net eligible expenditures for the tax year (amount A minus amount B) (if negative, enter "0")		5,399,246	C
Eligible expenditures transferred to the corporation by another corporation	110		D
Subtotal (amount C plus amount D)		5,399,246	E
Eligible expenditures the corporation transferred to another corporation		115	F
Ontario SR&ED expenditure pool (amount E minus amount F) (if negative, enter "0")		5,399,246	G

Part 2 – Eligible repayments

The repayment of the ORDTC is calculated using the ORDTC rate that you used to determine your tax credit at the time your eligible expenditures were reduced because of the government or non-government assistance, or contract payments. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayments for tax years that end before June 1, 2016	210	x	4.5 %	=	215	H
Repayment for a tax year that ends on or after June 1, 2016 and includes May 31, 2016. Complete the proration calculation below.						
Number of days in the tax year before June 1, 2016	240	152	x	4.5 %	=	1.8689 % 1
Number of days in the tax year	241	366				
Number of days in the tax year after May 31, 2016	242	214	x	3.5 %	=	2.0464 % 2
Number of days in the tax year	243	366				
Subtotal (percentage 1 plus percentage 2)					3.9153 %	3
Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016	211	x	percentage 3	3.9153 %	=	216 I

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 2 – Eligible repayments (continued)

Repayments for tax years that start after May 31, 2016	.....	212	x	3.5 %	=	217	J
Repayments made in the tax year of government or non-government assistance or contract payments that reduced eligible expenditures for first term or second term shared-use equipment acquired before 2014	.....	220	x	1 / 4	=	..... x 4.5 % = 225	K
Eligible repayments (total of amounts H to K)	.....	229					L

Part 3 – Calculation of the current part of the ORDTC

For tax years that end before June 1, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)	.....	x	4.5 %	=	200	M
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *	.....				205	N
Eligible repayments (amount L in Part 2)	.....					O
Current part of the ORDTC for tax years that end before June 1, 2016 (total of amounts M to O)	.....				230	P

For a tax year that ends on or after June 1, 2016, and includes May 31, 2016

Number of days in the tax year before June 1, 2016	_____	x	4.5 %	=	_____ %	4
Number of days in the tax year						
Number of days in the tax year after May 31, 2016	_____	x	3.5 %	=	_____ %	5
Number of days in the tax year						
Subtotal (percentage 4 plus percentage 5)	=====				%	6
Ontario SR&ED expenditure pool (amount G in Part 1)	_____	x	percentage 6	_____ %	=	201 _____ Q
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *	_____				206 _____	R
Eligible repayments (amount L in Part 2)	_____					S
Part of the ORDTC for a tax year that ends on or after June 1, 2016, and includes May 31, 2016 (total of amounts Q to S)	_____				231 _____	T

For tax years that start after May 31, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)	.....	5,399,246	x	3.5 %	=	202	188,974	U
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *	.....	207						V
Eligible repayments (amount L in Part 2)	.....							W
The ORDTC for tax years that start after May 31, 2016 (total of amounts U to W)	.....	232					188,974	X

* If there is a disposal or change of use of eligible property, see Part 7 on page 4.

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 4 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year	273,299	Y
ORDTC expired after 20 tax years	300	Z
ORDTC at the beginning of the tax year (amount Y minus amount Z)	305	273,299 AA
ORDTC transferred to the corporation on amalgamation or windup	310	BB
Current part of ORDTC (amount P, T or X in Part 3 whichever applies)	188,974	CC
Are you waiving all or part of the current part of the ORDTC? 315 Yes 1 No 2 X		
If you answered yes at line 315, enter the amount of the tax credit waived on line 320.		
If you answered no at line 315, enter "0" on line 320.		
Waiver of the current part of the ORDTC	320	DD
Subtotal (amount CC minus amount DD)	188,974	EE
ORDTC available for deduction (total of amounts AA, BB and EE)	462,273	FF
ORDTC claimed ** (Enter amount GG on line 416 on page 5 of Schedule 5, Tax Calculation Supplementary – Corporations)		GG
ORDTC carried back to previous tax years (from Part 5)		HH
Subtotal (amount GG plus amount HH)		II
ORDTC balance at the end of the tax year (amount FF minus amount II)	325	462,273 JJ

** This amount cannot be more than the lesser of the following amounts:
– ORDTC available for deduction (amount FF); or
– Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 on page 5 of Schedule 5).

Part 5 – Request for carryback of tax credit

	Year	Month	Day			
1 st previous tax year	2022-12-31			Credit to be applied	901	
2 nd previous tax year	2021-12-31			Credit to be applied	902	
3 rd previous tax year	2020-12-31			Credit to be applied	903	
Total (total of amount 901 to 903)(enter at amount HH in Part 4)						

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 6 – Analysis of tax credit available for carryforward by tax year of origin

You can complete this part to show all the credits from previous tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first)			Credit available	Tax year of origin (earliest tax year first)			Credit available
Year	Month	Day		Year	Month	Day	
2003-12-31				2013-12-31			
2004-12-31				2014-12-31			
2005-12-31				2015-12-31			
2006-12-31				2016-12-31			
2007-12-31				2017-12-31			
2008-12-31				2018-12-31			
2009-12-31				2019-12-31			
2010-12-31				2020-12-31			141,034
2011-12-31				2021-12-31			
2012-12-31				2022-12-31			132,265
				2023-12-31			188,974
Current tax year							
Total (equals line 325 in Part 4)							462,273

The amount available from the 20th previous tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

Part 7 – Calculation of a recapture of ORDTC

You will have a recapture of ORDTC in a tax year when you meet **all** of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act, 2007* (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which 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 in Ontario. 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 federal investment tax credit (ITC) rate *** of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

Complete the columns for each disposition for which a recapture applies, using the calculation formats below.

*** Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

Calculation 1 – Complete this part If you meet all of the above conditions

KK		LL	MM
Amount of federal ITC you originally calculated for the property you acquired, or the original user's federal ITC where you acquired the property from a non-arm's length party, as described in the note above		Amount calculated using the federal 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)	Amount from column 700 or 710, whichever is less
700		710	
1.			

Total of column MM (enter at amount WW in Part 8) _____NN

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 7 – Calculation of a recapture of ORDTC (continued)

Calculation 2 – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line SS.

	<div>OO</div> <div>Rate percentage that the transferee used to determine its federal ITC for qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act</div> <div>720</div>	<div>PP</div> <div>Proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition</div> <div>730</div>	<div>QQ</div> <div>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 for an agreement under subsection 127(13) of the federal Act)</div> <div>740</div>
1.			

	<div>RR</div> <div>Amount determined by the formula (OO x PP) - QQ (using the columns above)</div>	<div>SS</div> <div>Federal ITC earned by the transferee for the qualified expenditure that was transferred</div> <div>750</div>	<div>TT</div> <div>Amount from column RR or SS, whichever is less</div>
1.			

Total of column TT (enter at amount XX in Part 8) _____UU

Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205, 206, or 207 in Part 3, whichever applies. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line VV.

Corporate partner's share of the excess of ORDTC (enter at amount ZZ in Part 8) 760 _____VV

Part 8 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount NN from Part 7) WW

Recaptured federal ITC for Calculation 2 (amount UU from Part 7) XX

Amount WW plus amount XX x 23.56 % = _____YY

Corporate partner's share of the excess of ORDTC for Calculation 3 (amount VV from Part 7) ZZ

Recapture of ORDTC (amount YY plus amount ZZ) (enter amount AAA on line 277 on page 5 of Schedule 5) AAA

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Schedule A - Worksheet for eligible expenditures incurred by the corporation
in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation**.

Data on the worksheet is calculated based on the amounts on Form T661, but will have to be adjusted according to the rules of Ontario, if applicable, in particular when the corporation has had a permanent establishment in more than one jurisdiction. This data will be used when calculating Schedule 508 and Schedule 566.

Total expenditures for SR&ED		4,885,921
Add		
• payment of prior years' unpaid expenses (other than salary or wages)	+	
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	1,085,505
• other additions	+	
	Subtotal	= 5,971,426
Less		
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	-	
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	-	
• 20% of contract expenditures for SR&ED performed on your behalf	-	572,180
• prescribed expenditures not allowed by regulations	-	
• other deductions	-	
• non-arm's length transactions	-	
- expenditures for non-arm's length SR&ED contracts	-	
- purchases (limited to costs) of goods and services from non-arm's length suppliers	-	
	Total	= 5,399,246 I

Enter amount I on line 100 of Schedule 508.

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Hydro Ottawa Limited/Hydro Ottawa Limitee



Attached Schedule with Total

3rd previous year – Opening balance

Title 3rd previous year – Opening balance

Description	Operator (Note)	Amount
Increase in ORDTC from 2020 amended tax return		141,034.00
	+	
	Total	141,034.00

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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Hydro Ottawa Limited/Hydro Ottawa Limitee



Canada Revenue Agency
Agence du revenu du Canada

Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
 - a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
 - a mortgage investment corporation under subsection 130.1(6) of the federal Act;
 - a deposit insurance corporation under subsection 137.1(5) of the federal Act;
 - a congregation or business agency to which section 143 of the federal Act applies;
 - an investment corporation as referred to in subsection 130(3) of the federal Act; or
 - a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	1,974,017,000
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	1,586,094,938
Total assets (total of lines 112 to 116)		3,560,111,938
Total revenue of the corporation for the tax year **	142	1,118,413,000
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	99,257,484
Total revenue (total of lines 142 to 146)		1,217,670,484

The corporation is subject to CMT if:

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

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

* Rules for total assets

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

** Rules for total revenue

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

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *			210	28,798,000
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220			
Provision for deferred income taxes (debits)/cost of future income taxes	222	77,334		
Equity losses from corporations	224			
Financial statement loss from partnerships and joint ventures	226			
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230			
Other additions (see note below):				
Share of adjusted net income of partnerships and joint ventures **	228			
Total patronage dividends received, not already included in net income/loss	232			
281	282			
283	284			
	Subtotal	77,334		77,334 A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320	257,000		
Provision for deferred income taxes (credits)/benefit of future income taxes	322			
Equity income from corporations	324			
Financial statement income from partnerships and joint ventures	326			
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330			
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332			
Gain on donation of listed security or ecological gift	340			
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342			
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344			
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346			
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348			
Other deductions (see note below):				
Share of adjusted net loss of partnerships and joint ventures **	328			
Tax payable on dividends under subsection 191.1(1) of the federal Act multiplied by 3	334			
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336			
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338			
381	382			
383	384			
385	386			
387	388			
389	390			
	Subtotal	257,000		257,000 B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)			490	28,618,334

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

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

Note

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

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

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

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

*** Rules for net income/loss**

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

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Hydro Ottawa Limited/Hydro Ottawa Limitee

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

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIF1 (Schedule 125) on line 210.
- ** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.
- *** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.
- **** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.
- ***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

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

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive) **515** 28,618,334

Deduct:

CMT loss available (amount R from Part 7)

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

Adjusted CMT loss available **520** 28,618,334 C

Net income subject to CMT calculation (if negative, enter "0") **520** 28,618,334

Amount from line 520 28,618,334 x $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ 365 x 4 % = 1

Amount from line 520 28,618,334 x $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ 365 x 2.7 % = 772,695 2

Subtotal (amount 1 **plus** amount 2) 772,695 3

Gross CMT: amount on line 3 above x OAF ** **540** 772,695

Deduct:

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

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") 772,695 D

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 772,695 E

Net CMT payable (if negative, enter "0") 772,695

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

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

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

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

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

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

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

Ontario allocation factor 1.00000 F

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

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

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *	2,801,315	G
Deduct:		
CMT credit expired *	600	
CMT credit carryforward at the beginning of the current tax year * (see note below)	2,801,315	620
	2,801,315	
Add:		
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)	650	
CMT credit available for the tax year (amount on line 620 plus amount on line 650)	2,801,315	H
Deduct:		
CMT credit deducted in the current tax year (amount P from Part 5)		I
	Subtotal (amount H minus amount I)	2,801,315
		J
Add:		
Net CMT payable (amount E from Part 3)	772,695	
SAT payable (amount O from Part 6 of Schedule 512)		
	Subtotal	772,695
		K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	670	3,574,010
		L

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

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

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

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

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

CMT credit available for the tax year (amount H from Part 4)	2,801,315	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	1	
For a corporation that is not a life insurance corporation:		
CMT after foreign tax credit deduction (amount D from Part 3)	772,695	2
For a life insurance corporation:		
Gross CMT (line 540 from Part 3)	3	
Gross SAT (line 460 from Part 6 of Schedule 512)	4	
The greater of amounts 3 and 4	5	
Deduct: line 2 or line 5, whichever applies:	772,695	6
Subtotal (if negative, enter "0")		N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		
Deduct:		
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 minus line 450 from Schedule 5)	80,387	
Subtotal (if negative, enter "0")		O
CMT credit deducted in the current tax year (least of amounts M, N, and O)		P

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

Is the corporation claiming a CMT credit earned before an acquisition of control? 675 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * Q

Deduct:

CMT loss expired * 700

CMT loss carryforward at the beginning of the tax year * (see note below) 720

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) 750

CMT loss available (line 720 plus line 750) R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) S

Subtotal (if negative, enter "0") S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) 760

CMT loss carryforward balance at the end of the tax year (amount S plus line 760) 770 T

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

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

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Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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Hydro Ottawa Limited/Hydro Ottawa Limitee



Attached Schedule with Total

4th previous year – Opening balance

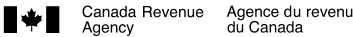
Title 4th previous year – Opening balance

Description	Operator (Note)	Amount
2019 CMT credit from 2022 tax return		800,054.00
	+	
	+	
	Total	800,054.00

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.

2023-12-31

Hydro Ottawa Limited/Hydro Ottawa Limitee



SCHEDULE 511

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

Name of corporation	Business Number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	Hydro Ottawa Holding Inc./Societe De Portefeuille		1,171,550,000	42,085,000
2	Energy Ottawa Inc./Energie Ottawa Inc.		197,351,000	18,609,000
3	Telecom Ottawa Holding Inc. / Societe De Portefeuille		12,133,000	12,000
4	PowerTrail Inc.		9,823,000	3,865,000
5	Moose Creek Energy Inc.		201	0
6	Chaudiere Hydro Inc. Hydro Chaudiere Inc.		100	0
7	Chaudiere Water Power Inc/Energie Hydraulique De La		450,000	2,075,000
8	2425932 ONTARIO INC.		87,095,298	533,635
9	CHAUDIERE HYDRO NORTH INC.		101	0
10	EO GENERATION GP INC.		100	0
11	THE GANANOQUE WATER POWER COMPANY		55,000	0
12	EONY GENERATION HOLDING INC.		0	0
13	EONY GENERATION LIMITED		0	0
14	9927891 CANADA INC.		36,901,101	0
15	ENERGY OTTAWA CABLE TESTING SERVICES INC.		2,052,000	261,000
16	HULL ENERGY GP INC.		1	0
17	Smart City Lighting Inc.		1	0
18	Envari Holding Inc.		26,890,000	0
19	Envari Energy Solutions Inc.		28,258,000	29,971,000
20	CHAUDIERE SERVICES INC./SERVICES CHAUDIERE IN		606,830	1,105,132
21	CHAUDIERE FINANCIAL INC./FINANCIERE DE LA		100	0
22	2725163 Ontario Inc.		6,323,105	561,717
23	Hiboo Networks Inc.		6,606,000	179,000
		450	1,586,094,938	550 99,257,484

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Hydro Ottawa Limited/Hydro Ottawa Limitee

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

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

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

*** Rules for total assets**

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

**** Rules for total revenue**

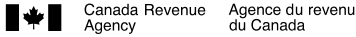
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of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

T2 SCH 511

Canada

2023-12-31

Hydro Ottawa Limited/Hydro Ottawa Limitee



SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Hydro Ottawa Limited/Hydro Ottawa Limitee		2023-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is \$1,000 for each qualifying work placement ending before March 27, 2009, and \$3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
 - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
 - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
 - the terms of the WP require the student to engage in productive work;
 - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
 - the student is paid for the work performed in the WP;
 - the corporation is required to supervise and evaluate the job performance of the student in the WP;
 - the institution monitors the student's performance in the WP; and
 - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information Bettina Yau	120 Telephone number including area code (613) 738-5499
--	---

Is the claim filed for a CETC earned through a partnership?* **150** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 150,
what is the name of the partnership? **160** _____

Enter the percentage of the partnership's CETC allocated to the corporation **170** _____ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? 200	1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/>
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)? 210	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>

If you answered **no** to question 1 or **yes** to question 2, then the corporation is **not eligible** for the CETC.

2023-12-31

Hydro Ottawa Limited/Hydro Ottawa Limitee

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * 300 77,625,000

For eligible expenditures incurred before March 27, 2009:

- If line 300 is \$400,000 or less, enter 15% on line 310.
- If line 300 is \$600,000 or more, enter 10% on line 310.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 310 using the following formula:

Eligible percentage = 15 % - $\left[5 \% \times \left(\frac{\text{amount on line 300} - \text{minus } \$ 400,000}{\$ 200,000} \right) \right]$

Eligible percentage for determining the eligible amount 310 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is \$400,000 or less, enter 30% on line 312.
- If line 300 is \$600,000 or more, enter 25% on line 312.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 312 using the following formula:

Eligible percentage = 30 % - $\left[5 \% \times \left(\frac{\text{amount on line 300} - \text{minus } \$ 400,000}{\$ 200,000} \right) \right]$

Eligible percentage for determining the eligible amount 312 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

A Name of university, college, or other eligible educational institution 400		B Name of qualifying co-operative education program 405	
1.			

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Hydro Ottawa Limited/Hydro Ottawa Limitee

[Redacted]

A Name of university, college, or other eligible educational institution <div>400</div>		B Name of qualifying co-operative education program <div>405</div>	
24.	[Redacted]	[Redacted]	
28.			

C Name of student <div>410</div>	D Start date of WP (see note 1 below) <div>430</div>	E End date of WP (see note 2 below) <div>435</div>
1.	[Redacted]	[Redacted]
2.	[Redacted]	[Redacted]
3.	[Redacted]	[Redacted]
4.	[Redacted]	[Redacted]
5.	[Redacted]	[Redacted]
6.	[Redacted]	[Redacted]
7.	[Redacted]	[Redacted]
8.	[Redacted]	[Redacted]
9.	[Redacted]	[Redacted]
10.	[Redacted]	[Redacted]
11.	[Redacted]	[Redacted]
12.	[Redacted]	[Redacted]
13.	[Redacted]	[Redacted]
14.	[Redacted]	[Redacted]
15.	[Redacted]	[Redacted]
16.	[Redacted]	[Redacted]
17.	[Redacted]	[Redacted]
18.	[Redacted]	[Redacted]
19.	[Redacted]	[Redacted]
20.	[Redacted]	[Redacted]
21.	[Redacted]	[Redacted]
22.	[Redacted]	[Redacted]
23.	[Redacted]	[Redacted]
24.	[Redacted]	[Redacted]
25.	[Redacted]	[Redacted]
26.	[Redacted]	[Redacted]
27.	[Redacted]	[Redacted]
28.		

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.
Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

Page 5

**Attachment 6-2-1(B) - OEB Workform 2026-2030
Income Tax/PILS Workform**

(Refer to the attachment in Excel format)

OTHER REVENUE SUMMARY

1. INTRODUCTION

This Schedule provides a summary of Other Revenue for the 2026-2030 term. Other Revenue, also referred to as Revenue Offsets, relates to all utility revenues other than distribution and cost of power revenues. Hydro Ottawa has classified these into categories, each of which is described in more detail within the following Schedules:

- **Schedule 6-3-2 - Specific Service Charge Revenue:** Specific Service Charges (SSCs) are applied for service requests or activities which primarily benefit or are attributed to the requesting customer or are necessitated by customer inaction.
- **Schedule 6-3-3 - Late Payment Charge Revenue:** Revenue generated from the OEB-approved monthly interest rate applied to outstanding account balances.
- **Schedule 6-3-4 - Other Operating Revenue:** Revenue associated from the provision of Standard Supply, Retailer, and Generator services, as well as rent from electric property.
- **Schedule 6-3-5 - Other Income and Deductions:** Revenue through the provision of services to customers and third parties, property rental income from leased plant, gains (or losses) on the disposal or retirement of utility property, the provision of services to Hydro Ottawa's affiliates, and earning interest income on short-term investments.

2. OTHER REVENUE SUMMARY

Table 1 below summarizes the 2021-2025 OEB Approved Other Revenue as per Hydro Ottawa's 2021-2025 Approved Settlement Agreement,¹ including annual updates for inflation where applicable. Refer to Table 4 and Table 5 below for information on reclassifications between Uniform System of Accounts (USofA) accounts.

¹ Hydro Ottawa Limited, 2021-2025 Custom Incentive Rate-Setting Approved Settlement Agreement Proposal, EB-2019-0261 (September 18, 2020).

1 **Table 1 - OEB Approved Other Revenue Summary 2021-2025 (\$'000s)²**

Other Revenue	OEB Approved				
	2021	2022	2023	2024	2025
Specific Service Charges (4235)	\$ 5,119	\$ 5,243	\$ 4,827	\$ 5,150	\$ 5,450
Late Payment Charges (4225)	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Other Operating Revenue (4082, 4084, 4086, 4090)	\$ 1,456	\$ 1,462	\$ 1,460	\$ 1,459	\$ 1,472
Other Income & Deductions (4315, 4325, 4330, 4362, 4375, 4405)	\$ 2,105	\$ 1,691	\$ 2,017	\$ 2,181	\$ 2,081
TOTAL OTHER REVENUE	\$ 9,680	\$ 9,397	\$ 9,304	\$ 9,790	\$ 10,003

2

3 Table 2 details the Historical and Bridge Year Other Revenue amounts for 2021-2025.

4

5 **Table 2 - Historical and Bridge Years Other Revenue Summary 2021-2025 (\$'000s)³**

Other Revenue	Historical Years			Bridge Years	
	2021	2022	2023	2024	2025
Specific Service Charges (4235)	\$ 1,978	\$ 1,929	\$ 1,806	\$ 2,170	\$ 2,231
Late Payment Charges (4225)	\$ 1,535	\$ 1,464	\$ 1,605	\$ 1,650	\$ 1,700
Other Operating Revenue (4082, 4084, 4086, 4090, 4210)	\$ 6,196	\$ 6,116	\$ 6,059	\$ 6,209	\$ 6,435
Other Income & Deductions (4315, 4325, 4330, 4362, 4375, 4405)	\$ (1,663)	\$ (1,103)	\$ (965)	\$ (1,252)	\$ (1,681)
TOTAL OTHER REVENUE	\$ 8,046	\$ 8,406	\$ 8,504	\$ 8,777	\$ 8,686

6

7 A detailed breakdown of Total Other Revenue, by USofA is provided in Excel Attachment
8 6-3-1(A) - OEB Appendix 2(H) - Other Revenue.

9

² Totals may not sum due to rounding.

³ Totals may not sum due to rounding.

Table 3 below provides Hydro Ottawa's 2026-2030 Test Year Other Revenue Summary.

Table 3 – Test Years Other Revenue Summary 2026-2030 (\$'000s)⁴

Other Revenue	Test Years				
	2026	2027	2028	2029	2030
Specific Service Charges (4235)	\$ 1,008	\$ 1,019	\$ 1,030	\$ 1,043	\$ 1,057
Late Payment Charges (4225)	\$ 1,751	\$ 1,788	\$ 1,825	\$ 1,864	\$ 1,903
Other Operating Revenue (4082, 4084, 4086, 4090, 4210)	\$ 12,083	\$ 12,421	\$ 12,749	\$ 13,083	\$ 13,425
Other Income & Deductions (4315, 4325, 4330, 4362, 4375, 4405)	\$ (3,824)	\$ (4,531)	\$ (4,745)	\$ (4,866)	\$ (4,926)
TOTAL OTHER REVENUE	\$ 11,018	\$ 10,697	\$ 10,859	\$ 11,123	\$ 11,460

3. OEB APPROVED AND HISTORICAL (2021 to 2023) OTHER REVENUE AMOUNTS VARIANCE ANALYSIS

The most notable annual variances are due to the USofA reclassification of certain Other Revenue. Through internal review, Hydro Ottawa has now included pole attachment, duct rental and property rental revenues in USofA 4210 - Rent from Electric Property whereas previously these amounts were in USofA 4235 or 4315. Table 4 provides a summary of these USofA coding changes and Table 5 restates the 2021-2025 OEB Approved amounts after the reclassifications.

⁴ Totals may not sum due to rounding

Table 4 - Other Revenue USofA Reclassifications

	2021-2025 OEB Approved	2021-2023 Actual	2024-2025 Bridge	2026-2030 Test Years
Pole Attachment Revenue	USofA 4235	USofA 4210	USofA 4210	USofA 4210
Duct Rental Revenue	USofA 4315	USofA 4210	USofA 4210	USofA 4210
Property Rental Revenue	USofA 4315	USofA 4210	USofA 4210	USofA 4210

Table 5 - OEB Approved Other Revenue 2021-2025 After USofA Coding Changes(\$'000s)⁵

Other Revenue	OEB Approved				
	2021	2022	2023	2024	2025
Specific Service Charges (4235)	\$ 1,803	\$ 1,874	\$ 1,946	\$ 2,021	\$ 2,093
Late Payment Charges (4225)	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Other Operating Revenue (4082, 4084, 4086, 4090,4210)	\$ 6,747	\$ 6,806	\$ 6,317	\$ 6,563	\$ 6,804
Other Income & Deductions (4315, 4325, 4330, 4362, 4375, 4405)	\$ 130	\$ (284)	\$ 42	\$ 206	\$ 106
TOTAL OTHER REVENUE	\$ 9,680	\$ 9,397	\$ 9,304	\$ 9,790	\$ 10,003

3.1. 2021

In 2021, Hydro Ottawa's actual total Other Revenue was \$1.6M lower than the OEB Approved amount, primarily in Other Income & Deductions. This variance was driven by a net loss in Services to Third Parties, attributed to increased costs and the non-billable activities. Layout volumes increased significantly, but the associated costs were not offset by revenue as many customers did not proceed with their projects.

3.2. 2022

In 2022 total Other Revenue was \$1.0M lower than the OEB Approved amount. The main driver of this variance within Other Operating Revenue is due to 2022 pole attachment revenue. The 2022 estimate used the 2021 OEB generic pole attachment rate. However, the actual 2022 pole

⁵ Totals may not sum due to rounding.

attachment rate was subsequently reduced after the OEB approved Hydro Ottawa's Other Revenue amounts. Please refer to Schedule 9-1-3 - Group 2 Accounts for information on Hydro Ottawa's proposal on the disposition of the 1508 - Pole Attachment Revenue Variance Account. The main driver within Other Income and Deductions is Services to Third Parties loss, as noted in the 2021 variance.

3.3. 2023

Hydro Ottawa's total Other Revenue in 2023 was \$0.8M lower than the OEB Approved amount. The primary factor in Other Income and Deductions was a loss from Services to Third Parties loss, consistent with the variances 2021 and 2022.

4. 2021-2026 HIGH LEVEL VARIANCE ANALYSIS

4.1. 2021 ACTUAL TO 2022 ACTUAL

Total Other Revenue increased by \$0.4M in 2022 compared to 2021. This increase was primarily driven by an increase in Services to Third Parties (net of costs) in the Income & Deductions.

4.2. 2022 ACTUAL TO 2023 ACTUAL

Other Revenue increased by \$0.1M in 2023 compared to 2022. This included a \$0.1M increase in late payment and a \$0.1M increase in Other Income & Deductions, partially offset by a \$0.1M decrease in Specific Service Charge. Please refer to Schedule 6-3-2 Specific Service Charge Revenue, Schedule 6-3-3 Late Payment Charge Revenue, and Schedule 6-3-5 Other Income & Deductions for further details.

4.3. 2023 ACTUAL TO 2024 BRIDGE YEAR

Other Revenue increased \$0.3M in 2024 compared to 2023. SSC revenues for the 2024 Bridge Year are forecasted to increase by \$0.4M (20%). The main driver to this rise is a projected increase in Account Set Up revenue, due to forecasted moving activities.

Other operating revenues are also forecasted to be \$0.2M (2%) higher in 2024 than in 2023. The main driver is an increase in Wireline Attachment revenue driven by inflation.

Partially offsetting these increases, Other Income & Deductions is projected to show a \$0.3M loss in 2024. This is due to additional costs allocated to Services to Third Parties following a recent review.

4.4. 2024 BRIDGE YEAR TO 2025 BRIDGE YEAR

Other Revenue is projected to decrease by \$0.1M in 2025 compared to 2024. While SSC revenues for 2025 bridge year are forecasted to be \$0.1M (3%) higher than the 2024 Bridge Year forecast, Other operating Revenues in 2025 are forecasted \$0.2M (4%) higher than 2024, primarily due to inflationary increases in Wireline Attachment revenue

Other Income & Deductions are forecasted to experience an increased general loss of \$0.4M in 2025. Primarily due to additional costs allocated to Services to Third Parties.

4.5. 2025 BRIDGE YEAR TO 2026 TEST YEAR

Overall Other Revenue is projected to increase \$2.3M in 2026 compared to 2025.

SSC revenue is projected to be \$1.2M (55%) lower in 2026 compared to the 2025 Bridge Year forecast. This is primarily attributed to planned rate reductions, particularly the proposed decrease in the Account Set Up Charge from \$29 in 2025 to \$10 in 2026. Please refer to Schedule 8-4-1 - Specific Service Charges for further details on the decrease in the Account Set Up Charge.

Other operating revenues are projected to be \$5.6M (88%) higher in 2026 than in 2025. The main driver of this increase is the expected increase in Standard Supply Administration of \$5.6M, as Hydro Ottawa proposes to implement a utility-specific Standard Supply Service (SSS)

- 1 rate charged per customer per month. Please refer to Schedule 8-3-2 - Standard Supply Service
- 2 Charge for further details on the SSS Charge rate design.
- 3
- 4 Other Income & Deductions is forecasted to have an increased loss of \$2.1M in 2026. This is
- 5 primarily due to the Non-Wire Customer Solutions Program, which is explained in Schedule
- 6 6-3-5 - Other Income & Deductions, and Section 9.2 of Schedule 2-5-4 - Asset Management
- 7 Process.

Attachment 6-3-1(A) - OEB Appendix 2-H - Other Revenue

(Refer to the attachment in Excel format)

SPECIFIC SERVICE CHARGE REVENUE

1. INTRODUCTION

Specific Service Charges (SSCs) cover the costs for service requests or activities that primarily benefit the requesting customer, are directly attributable to them, or are required due to their inaction. Examples include setting up an account for a new customer or special billing service requests.

The revenue from these charges are included in Other Revenue and offset the total revenue requirement. Please see Schedule 6-3-1 - Other Revenue Summary and Schedule 6-1-1 - Revenue Requirement and Revenue Deficiency or Sufficiency for more details regarding revenue requirement and revenue offsets.

As part of this Application, Hydro Ottawa undertook a review of each SSC to ensure appropriate cost recovery for providing these services and to reflect efficiencies achieved during the 2021-2025 period were reflected in the proposed charges.

2. SERVICES, PROPOSED RATE CHANGES AND REVENUE IMPACTS

Changes to Hydro Ottawa's SSCs for the 2026-2030 period are discussed in more detail below. Additional information, including the SSC rate table and details on proposed rate adjustments, can be found in Schedule 8-4-1 - Specific Service Charges and Attachment 8-4-1(A) - Proposed and New Specific Service Charge Calculations. Schedule 8-4-1 provides detailed information on the specific services covered by SSCs and the rationale behind any proposed changes to rates.

In summary, Hydro Ottawa is proposing to apply a 2.10% annual inflation adjustment to most SSCs for the years 2027-2030. However, to provide rate predictability and stability for customers, the following charges are proposed to be held constant from 2026 to 2030: Easement Certificate, Duplicate Invoice, Credit Reference Check, Unprocessed Payment, and Account Set Up. For the

2026 Test year, a reduction has been applied for the Account Set Up Charge, Unprocessed Payment Charge, Reconnect at Meter, and Reconnect at Pole (After Hours only) .

The additional exception to this approach is with respect to Dry Core Transformer Distribution Charges, which are based on proposed 2026-2030 distribution rates of the >50kW commercial classes, as well as the forecasted Regulated Price Plan, transmission, low voltage, and regulatory rates.

Table 1 provides Actual and Bridge Year revenue expected for SSC for 2021-2025.

Table 1 - Specific Service Charge Revenue 2021-2025 (\$'000s) ¹

	Historical			Bridge	
	2021	2022	2023	2024	2025
Customer Administration					
Arrears Certificate	-	-	-	-	-
Easement Certificate for Unregistered Easements	\$ 8	\$ 8	\$ 4	\$ 6	\$ 6
Duplicate invoices for previous billing	\$ 3	\$ 1	\$ 2	\$ 2	\$ 2
Special Billing Service, per hour	\$ 18	\$ 20	\$ 14	\$ 20	\$ 20
Credit Reference/Credit Check (+ credit agency costs)	\$ 1	-	-	\$ 1	\$ 1
Unprocessed Payment Charge	\$ 60	\$ 69	\$ 86	\$ 99	\$ 108
Account Set Up Charge / Change of Occupancy Charge	\$ 1,666	\$ 1,548	\$ 1,415	\$ 1,677	\$ 1,700
Interval Meter - Field Reading	-	-	-	-	-
High Bill Investigation - If Billing is Correct	\$ 1	\$ 2	\$ 1	\$ 2	\$ 2
Non-Payment of Account					
Reconnect at Meter - Regular Hours	\$ 50	\$ 99	\$ 122	\$ 180	\$ 198
Reconnect at Meter - After Regular Hours	\$ 1	\$ 24	\$ 26	\$ 62	\$ 66
Reconnect at Pole - Regular Hours	-	\$ 1	-	\$ 2	\$ 2
Reconnect at Pole - After Regular Hours	-	-	-	-	-

¹ Totals may not sum due to rounding.

	Historical			Bridge	
	2021	2022	2023	2024	2025
Other					
Temporary Service - Install and Remove ("TS-I&R") - Overhead - no transformer	\$ 45	\$ 44	\$ 17	\$ 13	\$ 13
TS-I&R - Underground - no transformer	\$ 43	\$ 37	\$ 48	\$ 28	\$ 29
TS-I&R Overhead - with transformer	\$ 32	\$ 20	\$ 7	\$ 10	\$ 11
Drycore Transformer Distribution Charge	\$ 48	\$ 56	\$ 62	\$ 68	\$ 73
Energy Resource Facilities Administration Charge	-	-	-	-	-
TOTAL	\$ 1,978	\$ 1,929	\$ 1,806	\$ 2,170	\$ 2,231

- 1
- 2 Table 2 provides a summary of the forecasted revenue expected for SSCs for 2026-2030. Each
- 3 SSC is forecasted based on the rate factored by the estimated volume.

1

Table 2 - Specific Service Charge Revenue 2026-2030 (\$'000s)

	Test Years				
	2026	2027	2028	2029	2030
Customer Administration					
Easement Certificate for Unregistered Easements	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7
Duplicate invoices for previous billing	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
Special Billing Service, per hour	\$ 20	\$ 20	\$ 21	\$ 21	\$ 22
Credit Reference/Credit Check (+ credit agency costs)	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Unprocessed Payment Charge	\$ 77	\$ 77	\$ 77	\$ 77	\$ 77
Account Set Up Charge / Change of Occupancy Charge	\$ 594	\$ 594	\$ 594	\$ 594	\$ 594
Interval Meter - Field Reading	-	-	-	-	-
High Bill Investigation - If Billing is Correct	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
Non-Payment of Account					
Reconnect at Meter - Regular Hours	\$ 126	\$ 127	\$ 129	\$ 133	\$ 136
Reconnect at Meter - After Regular Hours	\$ 22	\$ 23	\$ 23	\$ 24	\$ 24
Reconnect at Pole - Regular Hours	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Reconnect at Pole - After Regular Hours	-	-	\$ 1	\$ 1	\$ 1
Other					
Temporary Service - Install and Remove ("TS-I&R") - Overhead - no transformer	\$ 31	\$ 32	\$ 33	\$ 33	\$ 34
TS-I&R - Underground - no transformer	\$ 40	\$ 41	\$ 42	\$ 42	\$ 43
TS-I&R Overhead - with transformer	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Drycore Transformer Distribution Charge	\$ 78	\$ 85	\$ 91	\$ 98	\$ 106
Energy Resource Facilities Administration Charge	-	-	-	-	-
TOTAL	\$ 1,008	\$ 1,019	\$ 1,030	\$ 1,043	\$ 1,057

2

Other Revenue

Specific Service Charges

2.1. ARREARS CERTIFICATE

Hydro Ottawa proposes discontinuing the Arrears Certificate service and therefore the associated charge. This certificate serves to identify any outstanding payments on an account. Since Hydro Ottawa does not hold a new occupant responsible for previous occupants unpaid bills, this charge is no longer necessary.

Variance analysis:

There is no revenue for the Historical 2021-2023 period, nor in the forecast for the 2024-2025 Bridge Years. As Hydro Ottawa proposes discontinuing the Arrears Certificate service, zero revenue has been budgeted for the 2026-2030 period.

2.2. EASEMENT CERTIFICATE FOR UNREGISTERED EASEMENTS

An Easement Certificate provides confirmation of any property easements Hydro Ottawa may have on a property. Hydro Ottawa is seeking approval to increase the Easement Certificate fee from \$29 in 2025 to \$30 in 2026 and maintain the rate for the 2026-2030 period.

Variance analysis:

There are immaterial deltas between 2021 and 2030. The slight increase in 2026 is due to the proposed rate increase. Maintaining a constant rate in the 2026-2030 period, with an estimated volume of 232 requests annually based on historical trends, revenue is projected to remain stable throughout this period.

2.3. DUPLICATE INVOICES FOR PREVIOUS BILLING

Hydro Ottawa continues to offer duplicate bills by email, reducing the cost of printing and postage.

Variance analysis:

There are immaterial deltas between 2021 and 2030. The slight increase in 2026 is due to the proposed rate increase. Maintaining a constant rate in the 2026-2030 period, with an estimated

volume of 416 requests annually based on historical trends, revenue is projected to remain stable throughout this period.

2.4. SPECIAL BILLING SERVICE

The Special Billing Service charge was introduced as part of Hydro Ottawa's 2016-2020 rate application.² This special billing service requires Hydro Ottawa staff to gather, organize, and present months or even years of past billing records to customers or their representatives. This labour intensive process necessitates a fee that reflects the effort and current labour costs.

Hydro Ottawa is seeking approval to increase its hourly rate from \$140 in 2025 to \$141 in 2026, and applying an annual inflation adjustment of 2.10% for the years 2027 through 2030.

Variance analysis:

There are immaterial deltas between 2021 and 2030. The volume of requests for special billing service is estimated to be 141 requests annually based on historical trends. A slight increase in revenue over the 2026-2030 period is due to the proposed rate increase.

2.5. CREDIT REFERENCE / CREDIT CHECK

This service charge is to recover internal costs associated with completing reference checks, which is labour driven.

Hydro Ottawa is seeking approval for an increase from the current 2025 rate of \$18 to \$20 in 2026, and maintaining the rate for the 2027-2030 period.

² Hydro Ottawa Limited, 2016-2020 Custom Incentive Rate-setting Distribution Rate Application, EB-2015-0004 (April 29, 2015).

Variance analysis:

There are no material differences between 2021 and 2030. Maintaining a constant rate per year during the 2026-2030 period, with an estimated volume of 35 requests annually based on historical trends, revenue is projected to remain stable throughout this period.

2.6. UNPROCESSED PAYMENT CHARGE

This service charge is to recover internal costs associated with unprocessable payments (i.e. non-sufficient funds). Costs associated with this service include labour costs for administering an unprocessable payment and bank fees. To optimize operational efficiency, part of this process is now completed by the contact centre, which is an external service provider. This change has led to cost savings and enables Hydro Ottawa to seek approval for a decrease from the current 2025 rate of \$29 to \$25 in 2026 and maintain this rate through to 2030, ensuring rate predictability and stability for customers.

Variance analysis:

Revenue from unprocessed payment charges increased year-over-year from 2021 to 2025 due to a consistent rise in the volume of unprocessed payments. Based on historical trends, an annual volume of 3,096 unprocessed payments is forecast. Assuming a constant rate and volume over the 2026-2030 period, revenue from these charges is projected to remain flat.

2.7. ACCOUNT SET UP/CHANGE OF OCCUPANCY CHARGE

Hydro Ottawa has achieved a 23% automation rate for customer moves (new service start, and service transfers), from an online intake form through to customer confirmation emails. The remaining moves are primarily handled by the contact centre to optimize operational efficiency. This strategy allows Hydro Ottawa to reduce costs associated with handling high-volume, routine tasks. By outsourcing certain routine tasks, Hydro Ottawa can leverage its internal team's expertise to address more complex customer needs and provide higher-value support.

These improvements have generated cost savings, allowing Hydro Ottawa to propose a reduced rate of \$10 in 2026, reflecting a \$19 reduction from the 2025 rate. Hydro Ottawa proposes maintaining this rate at \$10 annually over the 2027-2030 period, ensuring rate predictability and stability for customers.

Variance analysis:

The fluctuation in revenue during the 2021-2023 Historical and 2024-2025 Bridge Years is attributed to varying annual volume. Reducing the rate in 2026 will result in a \$1.1M reduction in annual revenue. For the Test Years, volume is estimated at approximately 59K annually based on current trends. With a consistent \$10 rate and stable volume, revenue is projected to remain stable over the 2026-2030 period.

2.8. INTERVAL METER - FIELD READING

Hydro Ottawa installs utility-owned communication equipment for commercial services. Although some customers still use their own communication equipment, instances requiring manual meter reads due to equipment failure are rare; Hydro Ottawa has not applied this charge since 2019 and forecasts none between 2026 and 2030. Nevertheless, this charge has proved effective in encouraging customers to address communication issues. Hydro Ottawa requests approval to increase the rate from \$359 in 2025 to \$366 in 2026, with a further proposed annual inflation adjustment of 2.10% for the period 2027-2030.

Variance analysis:

There has not been any charges for this service since 2019. Hydro Ottawa projects zero volume for the Test Years, resulting in no associated revenue.

2.9. HIGH BILL INVESTIGATION - IF BILLING IS CORRECT

The high bill investigation service involves dispatching a field agent on site to check the meter and staff to facilitate the request and compile the results. To reflect the increase in labour costs, Hydro

Ottawa is seeking approval to increase the service charge from \$270 in 2025 to \$322 in 2026, with an additional proposed annual inflation adjustment of 2.10% from 2027 to 2030.

Variance analysis:

Immaterial deltas are expected between 2021 and 2030. Applying an inflationary increase of 2.10% per year between 2027 and 2030, and an estimated annual volume of six requests based on historical trends, revenue is projected to increase minimally each year.

2.10. RECONNECT AT METER - REGULAR HOURS AND AFTER REGULAR HOURS

Hydro Ottawa continues to roll out remote meter reconnection technology. This technology is particularly valuable in areas with limited accessibility and high customer turnover. It also offers customers greater convenience and faster service restoration.

As a result of remote meter cost efficiencies, Hydro Ottawa is applying to reduce Reconnect at the meter - regular hours from the current \$76 in 2025 to \$70 in 2026. The Reconnect at the meter - after hours rate is proposed to decrease from \$115 to \$94 in 2026. For both charges, Hydro Ottawa proposes a 2.10% annual inflation adjustment from 2027 to 2030.

Variance analysis:

Revenue from this charge in 2021 was low due the OEB's Decision and Order preventing Local Distribution Companies from disconnecting customers during the COVID-19 pandemic.³ There are immaterial deltas between 2022 and 2025. The lower revenue forecast from 2026 onwards reflects the proposed reduction in the rate. With a 2.10% annual inflation adjustment from 2027 to 2030, and based on an estimated annual volume of approximately 1.8K regular hours requests and 236 after hours requests (based on historical trends), revenue is projected to increase minimally year-over-year.

³ Ontario Energy Board, *Decision and Order - Amending Electricity Distributor Licences to Prohibit the Issuance of Disconnection Notices for Non-Payment to Residential Consumers in Light of the COVID-19 Stay-at-Home Order*, EB-2021-0137 (May 14, 2021).

2.11. RECONNECT AT POLE - REGULAR HOURS AND AFTER REGULAR HOURS

This service charge covers service reconnections requiring a qualified linesperson at the distribution pole. For reconnections during regular hours, Hydro Ottawa is seeking approval to increase the rate from \$286 in 2025 to \$318 in 2026. For after regular hours reconnections, Hydro Ottawa is seeking approval to reduce the rate from \$483 in 2025 to \$480 in 2026. The utility also proposes to apply an annual inflationary adjustment of 2.10% for both rates from 2027 to 2030.

Variance analysis:

There are no material deltas between 2021 and 2025. With a 2.10% annual inflation adjustment from 2027 to 2030, and based on an estimated annual volume of four regular hours requests and one after hours request (based on historical trends), revenue is projected to increase minimally year-over-year.

2.12. TEMPORARY SERVICES INSTALL & REMOVE

The temporary service charges cover the connection, metering, installation, and removal of required assets to supply electricity on a planned temporary basis, as outlined in Hydro Ottawa's Conditions of Service.

For temporary services connected overhead with no transformer, Hydro Ottawa is seeking approval for an increase from \$1,007 in 2025 to \$1,079 in 2026. Over the 2026-2030 period, 29 services are estimated per year.

For temporary services installed underground with no transformer, Hydro Ottawa is seeking approval for a reduction from \$1,461 in 2025 to \$1,422 in 2026. Over the 2026-2030 period, 28 services are forecast per year.

For temporary services connected overhead with a transformer, Hydro Ottawa is seeking approval for an increase from \$3,590 in 2025 to \$5,010 in 2026, with only one estimated service annually for the 2026-2030 period.

For all three temporary service charges, Hydro Ottawa proposes a 2.10% annual inflation adjustment from 2027 to 2030.

Variance analysis:

For temporary services - overhead with no transformer, revenue fluctuations during the 2021-2023 Historical and 2024-2025 Bridge Years are due to varying request volumes. The increased revenue forecast from 2026 onward reflects the proposed rate increase, with further increases from 2027 to 2030 due to the 2.10% annual inflation adjustment.

For temporary services - underground with no transformer, revenue fluctuations during the 2021-2023 Historical and 2024-2025 Bridge Years are due to varying request volumes. The increased revenue forecast from 2026 onward reflects estimated higher service request volumes.

For temporary services - overhead with a transformer, revenue fluctuations during the 2021-2023 Historical and 2024-2025 Bridge Years are due to varying request volumes. The decreased revenue forecast from 2026 onward reflects the anticipated decrease in request volume, partially offset by the increased charge which reflects higher labour and material costs. Hydro Ottawa proposed to apply a 2.10% annual inflation adjustment from 2027 to 2030.

2.13. DRYCORE TRANSFORMER CHARGE

Dry Core transformer charges are applied to recover energy lost in the operation of dry core transformers. A specific charge is calculated for each transformer size. The distribution portion of the revenues for 2026-2030 are based on historical revenue trends.

These charges are updated annually to reflect the new Regulated Price Plan prices, transmission rates, and Hydro Ottawa's distribution rates. As needed, Hydro Ottawa will add new dry core transformers to the Schedule of Rates and Tariffs on an annual basis as part of the utility's annual rate adjustment applications during the 2026-2030 period. Please see Schedule 8-4-1 - Specific Service Charges and Attachment 8-4-1(B) - Dry Core Calculations for more information.

Variance analysis:

There are no material year-over-year revenue variances for the 2021-2030 period. Hydro Ottawa has used historical trending and estimated distribution rate increases to estimate the revenue for 2026-2030.

2.14. ENERGY RESOURCE FACILITY ADMINISTRATION CHARGE

Energy Resource Facility Administration Charges are applied to recover costs associated with generator ownership changes. These changes are far more complex than typical consumer account changes, requiring detailed reviews by both legal and engineering departments to ensure proper handling of contracts and technical specifications. This increased workload necessitates a dedicated charge to fairly recover costs.

The charge applies solely to complex FIT contract assignments that require legal expertise. Simpler transactions, like those typical of MicroFIT projects, involve straightforward name changes and would not incur this charge.

Based on historical data and current projections, Hydro Ottawa anticipates minimal need for such legal reviews, forecasting only one instance per year, generating \$165 revenue in 2026. This charge represents a transparent method to ensure cost recovery for the necessary administrative effort involved in these complex generator ownership transitions. Hydro Ottawa also proposes to apply an annual inflationary adjustment of 2.10% between 2027 and 2030.

Variance analysis:

There are no material year-over-year revenue variances for the 2021-2030 period. Hydro Ottawa is seeking approval for an increase from \$162 in 2025 to \$165 in 2026. The forecast is low, with only one estimated service per year. Hydro Ottawa has used historical trending and estimated distribution rate increases to estimate the revenue for 2026-2030.

LATE PAYMENT CHARGE REVENUE

An OEB-approved monthly interest rate of 1.5% (effective annual rate of 19.56% per annum or 0.04896% compounded daily rate) is applied to outstanding account balances that exceed 20 calendar days from the date on which the bill was issued to the customer.

Hydro Ottawa projects a 3% increase in Late Payment Charge (LPC) for 2026 based on the historical year-over-year increase from 2021 to 2023. LPC revenues are estimated to increase 2.10% for the 2027-2030 period.

Please see Schedule 6-3-1 - Other Revenue Summary for the Historical, Bridge, and Test Year LPC Revenue.

OTHER OPERATING REVENUE

1. INTRODUCTION

Other Operating Revenues include revenue associated from the provision of Standard Supply, Retailer, and Generator services, as well as rent from electric property. Tables 1 and 2 show Other Operating Revenues for Historical Years 2021-2023, Bridge Years 2024-2025, and Test Years 2026-2030.

Table 1 - Other Operating Revenue 2021-2025 (\$'000s)

Other Operating Revenue	Historical Years			Bridge Years	
	2021	2022	2023	2024	2025
Standard Supply Administration	\$ 1,040	\$ 1,059	\$ 1,066	\$ 1,079	\$ 1,098
Retailer Services	\$ 126	\$ 120	\$ 121	\$ 119	\$ 130
Generator Services	\$ 300	\$ 287	\$ 292	\$ 292	\$ 306
Rent from Electric Property	\$ 4,730	\$ 4,650	\$ 4,580	\$ 4,720	\$ 4,901
TOTAL	\$ 6,196	\$ 6,116	\$ 6,059	\$ 6,209	\$ 6,435

Table 2 - Other Operating Revenue 2026-2030 (\$'000s)

Other Operating Revenue	Test Years				
	2026	2027	2028	2029	2030
Standard Supply Administration ¹	\$ 6,694	\$ 6,929	\$ 7,160	\$ 7,395	\$ 7,634
Retailer Services	\$ 130	\$ 130	\$ 130	\$ 130	\$ 130
Generator Services	\$ 251	\$ 265	\$ 268	\$ 271	\$ 274
Rent from Electric Property	\$ 5,006	\$ 5,097	\$ 5,190	\$ 5,287	\$ 5,387
TOTAL	\$ 12,083	\$ 12,421	\$ 12,749	\$ 13,083	\$ 13,425

¹ 2026-2030 SSS Administration Charge revenue amounts were estimated based on preliminary cost of power expense and revenue load and customer forecast resulting in \$106K variance between SSS revenues and cost amounts included in Schedule 8-3-2.

2. STANDARD SUPPLY SERVICE ADMINISTRATION CHARGE

The Standard Supply Service Administration Charge (SSS Charge) is an administrative charge that allows Hydro Ottawa to recover its costs of providing standard supply service to all customers who are not enrolled with a Retailer. The SSS Charge was introduced on May 11, 2005 as part of the 2006 Electricity Distribution Rate Handbook.²

The monthly SSS Charge of \$0.25 per customer per month has not been adjusted to reflect actual costs or inflation since its implementation 20 years ago. For the 2026-2030 period, Hydro Ottawa is proposing to charge a utility specific SSS rate per customer per month. The rate has been calculated based on actual costs of providing standard supply service to customers. For further details on the proposed SSS Charge rate design, please refer to Schedule 8-3-2 - Standard Supply Service Charge.

Variance analysis:

Overall net customer growth has resulted in slightly higher revenue than forecasted. The increase from 2025 to the 2026-2030 period is attributed to the proposed rate increase.

3. RETAILER SERVICES

Retailer Service Charges (RSCs) recover the costs of services that Hydro Ottawa provides to electricity retailers or their customers in relation to the competitive supply of energy. The revenue generated from the RSCs has declined from 2021-2023 due to a reduction in the number of customers enrolled with a Retailer. Notwithstanding the decrease in retailer-enrolled customers, Hydro Ottawa's expenses related to these services have remained constant.

Hydro Ottawa intends to apply the OEB generic rates for RSCs. Please see Schedule 8-4-3 - Retail Service Charges for more information on the 2026-2030 RSCs.

² Ontario Energy Board, *2006 Electricity Distribution Rate Handbook* (May 11, 2005), page 126.

Variance analysis:

The differences in RSC revenue over the 2021-2030 period are negligible.

4. GENERATOR SERVICES

Monthly fixed charges for generation customers, other than the microFIT charge, were introduced in Hydro Ottawa's 2016-2020 Custom IR Application³ to reflect the cost of managing these accounts. At that time, the microFIT charge was requested to be a utility-specific charge in order to reflect the cost of managing related accounts. Hydro Ottawa has reviewed these charges and proposes to update and continue using them for the 2026-2030 period.

As a result of greater efficiencies and automating processes in managing monthly MicroFIT charges, Hydro Ottawa is proposing to reduce the current 2025 monthly rate of \$16 for MicroFit⁴ customers to \$11 in 2026. Hydro Ottawa proposes a decrease to the rate for managing a small number of larger generators⁵ from the 2025 rate of \$347 to \$266 in 2026 as a result of increased efficiencies in the monthly processing of these accounts.

As part of 2021-2025 Approved Settlement Agreement,⁶ the Parties⁷ agreed that in respect to the City of Ottawa's Energy & Emissions Plan (Energy Evolution): "Hydro Ottawa agrees to meaningfully consider the goals of the plan with a view to pursuing cost efficiencies, reduced emissions, and enhanced energy outcomes for consumers in the City of Ottawa. The utility will consider these elements in its next Distribution System Plan and Business Plan. Hydro Ottawa will

³ Hydro Ottawa Limited, *2016-2020 Custom Incentive Rate-Setting Distribution Rate Application*, EB-2015-0004 (April 29, 2015).

⁴ Includes other generators <10KW that require settlement services from Hydro Ottawa. For further details, please see attachments 8-5-1(B) - 2027-2030 Proposed Tariff of Rates and Charges and 8-5-1(C) - 2026-2030 Bill Impacts Model.

⁵ An electricity generation facility contracted under the Independent Electricity System Operator's Hydroelectric Contract Initiative (HCI), Renewable Energy Standard Offer Program (RESOP) and Other Energy Resource programs

⁶ Hydro Ottawa Limited, *2021-2025 Custom Incentive Rate-Setting Approved Settlement Agreement*, EB-2019-0261 (September 18, 2020).

⁷ Hydro Ottawa and the following intervenor groups: Building Owners and Managers Association, Consumers Council of Canada, Distributed Resource Coalition, Environmental Defence, Energy Probe Research Foundation, Pollution Probe, School Energy Coalition, Vulnerable Energy Consumers Coalition.

report on realized areas of cost-efficiency and coordination related to Energy Evolution in its next rebasing application.” As a result of this agreement and to promote self-generation in support of the grid, Hydro Ottawa stopped charging net metered customers the monthly net metering service charge effective November 1, 2021.

Net metering customers, unlike other generation customers, also incur a monthly fixed service charge based on the rate class they are assigned. During the 2021-2025 rate period Hydro Ottawa automated the residential and small commercial net metering billing activities. In addition, per Ontario Regulation 393/07, Hydro Ottawa’s residential and small commercial net meter customer bi-directional smart meter data is now collected through the Meter Data Management/Repository (MDM/R). While automation of the commercial class net metering customers was planned for 2022-2023, it was ultimately put on hold in order to achieve the OEB deadlines to connect residential and small commercial net metered customers to the MDM/R, and thus commercial net metering account billing remains a manual process. Please see Schedule 1-3-4 - Facilitating Innovation and Continuous Improvement for more details on net metering automation.

As a result of the efficiencies gained through automation of residential and small commercial net metered customers and to support Hydro Ottawa’s Rate Plan Framework to encourage self generation in support of the grid, Hydro Ottawa is proposing to remove the net metering charge. Net metering customers will continue to be charged a monthly fixed charge based on their rate class. Please see Schedule 1-3-1 - Rate Setting Framework for more details regarding Hydro Ottawa proposed rate setting framework.

Hydro Ottawa proposes an increase to the rate for Feed In Tarrif (FIT)⁸ customers from the 2025 monthly rate of \$84 to \$87 in 2026. Please see Schedule 8-4-2 - Generation Charges for more information.

⁸ Includes other generators >10KW that require settlement services from Hydro Ottawa that do not fit the classification of Larger Generators. For further details, please see Attachments 8-5-1(B) - 2027-2030 Proposed Tariff of Rates and Charges and 8-5-1(C) - 2026-2030 Bill Impacts Model.

Hydro Ottawa proposes to increase all generation charges by an annual inflationary adjustment of 2.1% over the 2027-2030 period. This rate is consistent with the inflation rate applied to other revenue rates as part of this Application. For more details regarding the utility's proposed custom escalation rate for its 2026-2030 rate term, please see Schedule 1-3-1 - Rate Setting Framework.

For complete details on the design of generation charges, please refer to Schedule 8-4-2 - Generation Charges.

Variance analysis:

There are immaterial differences in revenue between 2021 and 2025. Applying an annual inflation rate of 2.1% between 2027 and 2030, revenue is projected to increase minimally year-over-year.

5. RENT FROM ELECTRIC PROPERTY

To support utility efficiency and the efficient use of Hydro Ottawa assets, Hydro Ottawa engages with other utilities to jointly operate assets where possible. However, in order to support multiple utility use, Hydro Ottawa incurs expenses. These costs are recorded in Hydro Ottawa's OM&A. Please see Schedule 4-1-2 - Operations, Maintenance and Administration Program Costs for more details. Please see Hydro Ottawa's rate setting framework for a discussion on joint use assets, Schedule 1-3-1 - Rate Setting Framework.

The types of revenue under Rent from Electric Property includes pole attachments, duct rental and property rental. Tables 3 and 4 below summarize the revenues by type for the 2021-2030 period.

Table 3 - Rent from Electric Property 2021-2025 (\$'000s)

Rent from Electric Property	Historical Years			Bridge Years	
	2021	2022	2023	2024	2025
Pole Attachment Revenue	\$ 3,178	\$ 2,525	\$ 2,658	\$ 2,817	\$ 2,962
Duct Rental Revenue	\$ 1,108	\$ 1,164	\$ 1,216	\$ 1,197	\$ 1,233
Property Rental Revenue	\$ 445	\$ 961	\$ 706	\$ 706	\$ 706
TOTAL	\$ 4,730	\$ 4,650	\$ 4,580	\$ 4,720	\$ 4,901

Table 4 - Rent from Electric Property 2026-2030 (\$'000s)

Rent from Electric Property	Test Years				
	2026	2027	2028	2029	2030
Pole Attachment Revenue	\$ 3,006	\$ 3,051	\$ 3,098	\$ 3,147	\$ 3,197
Duct Rental Revenue	\$ 1,272	\$ 1,310	\$ 1,348	\$ 1,387	\$ 1,428
Property Rental Revenue	\$ 728	\$ 736	\$ 745	\$ 753	\$ 762
TOTAL	\$ 5,006	\$ 5,097	\$ 5,190	\$ 5,287	\$ 5,387

5.1. SPECIFIC ACCESS TO POWER POLES - WIRELINE POLE ATTACHMENTS

Hydro Ottawa generates joint use revenue from third parties who place attachments on the utility's poles. There are currently pole attachment agreements with 11 telecommunication companies, and agreements with the City of Ottawa and Village of Casselman for streetlight attachments. Hydro Ottawa has seen modest increases in the number of pole attachments from 2021-2025. This historical trend is the basis for the 2026-2030 forecasted volume. Hydro Ottawa will continue to use the provincially approved rate annually. The generic provincial rate is adjusted on January 1st each year, based upon the OEB-approved inflation factor. Please refer to Schedule 8-4-1 - Specific Service Charges for complete details.

Variance analysis:

The decrease in 2022 revenue compared to 2021 is due to the reduction in provincial rate from \$44.50 to \$34.76 per attachment. Revenues between 2023-2025 increase modestly due to rate inflationary increase. Volumes and revenue are expected to remain flat for the 2026-2030 period.

5.2. SPECIFIC ACCESS TO POWER POLES - WIRELESS POLE ATTACHMENTS

Hydro Ottawa has existing wireless pole attachment agreements. The number of wireless pole attachments has increased annually from 2021-2023 and continued growth is expected for 2024-2025 bridge years. Future volume and revenues for wireless attachments have been based on estimates.

Variance analysis:

Revenues between 2026 and 2030 are expected to increase modestly due to increased volume of 100 attachments annually.

5.3. DUCT RENTAL AGREEMENTS

Hydro Ottawa rents out its underground civil capacity to third parties, on a temporary basis, through access agreements.

Variance analysis:

There are immaterial differences between 2021 and 2025. Revenues between 2026 and 2030 are expected to increase by 3% annually.

5.4. PROPERTY RENTAL INCOME

Property rental relates primarily to rental fees paid by Hydro One for land and buildings owned by Hydro Ottawa. Hydro Ottawa and Hydro One have joint facilities for transformer stations in several locations throughout the City of Ottawa.

1 **Variance analysis:**

2 The increase from 2021 to 2022 is due to new lease rates being negotiated with Hydro One, with a
3 retro-active adjustment for 2021 billed in 2022. 2023 reflects the new annual amount of the Hydro
4 One leases, which is carried into bridge years 2024 and 2025. Revenues between 2026 and 2030
5 are expected to increase nominally.

OTHER INCOME & DEDUCTIONS

1. INTRODUCTION

Hydro Ottawa earns revenue through the provision of services to customers and third parties, property rental income from leased plant, gains (or losses) on the disposal or retirement of utility property, the provision of services to Hydro Ottawa's affiliates, and earning interest income on short-term investments. These activities are classified under the Other Income and Deductions category as follows:

- Services to Third Parties, net of costs;
- Gains and Losses on Disposal of Utility Property;
- Shared Services to Hydro Ottawa Affiliates, net of costs; and
- Interest and Dividend Income.

Tables 1 and 2 below summarize Other Income and Deductions for the 2021-2030 period.

Table 1 – Other Income and Deductions 2021-2025 (\$'000s)¹

Other Income and Deductions	Historical Years			Bridge Years	
	2021	2022	2023	2024	2025
Services to Third Parties (net of costs)	\$ (2,059)	\$ (1,170)	\$ (1,439)	\$ (1,757)	\$ (1,991)
Gains and (Losses) on Disposal of Utility Property	\$ (389)	\$ (751)	\$ (323)	\$ (336)	\$ (445)
Shared Services Revenue	\$ 3,775	\$ 4,346	\$ 4,884	\$ 4,898	\$ 4,929
Shared Services Expenses	\$ (3,012)	\$ (3,544)	\$ (4,137)	\$ (4,057)	\$ (4,174)
Interest and Dividend Income	\$ 22	\$ 16	\$ 50	-	-
TOTAL	\$ (1,663)	\$ (1,103)	\$ (965)	\$ (1,252)	\$ (1,681)

¹ Totals may not sum due to rounding.

Table 2 – Other Income and Deductions 2026-2030 (\$'000s)²

Other Income and Deductions	Test Years				
	2026	2027	2028	2029	2030
Services to Third Parties (net of costs)	\$ (4,384)	\$ (4,637)	\$ (4,907)	\$ (5,032)	\$ (5,140)
Gains and (Losses) on Disposal of Utility Property	\$ (167)	\$ (635)	\$ (596)	\$ (609)	\$ (576)
Shared Services Revenue	\$ 4,780	\$ 4,881	\$ 4,983	\$ 5,088	\$ 5,195
Shared Services Expenses	\$ (4,053)	\$ (4,138)	\$ (4,225)	\$ (4,314)	\$ (4,404)
Interest and Dividend Income	-	-	-	-	-
TOTAL	\$ (3,824)	\$ (4,531)	\$ (4,745)	\$ (4,866)	\$ (4,926)

2. SERVICES TO THIRD PARTIES

These revenues, net of expenses, relate to services provided to customers or third parties beyond the standard temporary services included in Specific Service Charges, as detailed in Schedule 6-3-2 - Specific Service Charge Revenue. Services to Third Parties may include isolating and re-energizing services, mutual aid services, transformer vault shutdown access services, inspection services, and generator services. Services to the City of Ottawa and to affiliates for the aforementioned services are included in Uniform System of Accounts (USofA) 4325 Revenues from Merchandise and 4330 Costs and Expenses of Merchandising.

Services to Third Parties for the 2026-2030 period are expected to generate less revenue than the expenses incurred as a part of regular business operations and as a means to promote safety and electrification. During the course of regular business operations some expenses are incurred for projects that do not end up reaching a stage to generate revenue. As a result, the expenses are not allocated to programs and are classified as losses in Services to Third Parties.

Starting in 2026 Hydro Ottawa has forecasted to spend \$2M per year for its Non-Wires Customer Solutions Program. This investment will include targeted local programs expected to be in

² Totals may not sum due to rounding.

collaboration with IESO, where viable, to address system needs, initially in the area of Kanata North, Core 13 KV and West 13 KV planning regions. Further details on this initiative are available in section 9.2 of Schedule 2-5-4 - Asset Management Process.

Also starting in 2026, Hydro Ottawa is proposing to offer Residential Electrical Isolations/Re-energizations for electrical work at no charge to the customer.³ This reduces the revenue forecasts by \$0.5M per year during the rate term. The primary purpose of this policy is to promote safety, as well as enable electrification and the adoption of distributed energy resources and back-up supply. Providing this service at no cost to the customer removes a burden which could otherwise motivate poor safety practices. The reduced cost to the customer also incentivizes homeowners to pursue green projects, such as installing electric vehicle chargers, battery storage or solar panels. An added benefit to this is a better overall customer experience resulting from shortened timelines for appointment scheduling.

Variance analysis:

Services to Third Parties, which are part of regular business operations, incurred a net loss of \$2.1M in 2021, with expenses exceeding revenue. This loss is largely attributable to the impact of the COVID-19 pandemic. While the volume of customer requests was high, many did not proceed to finalization, leading to the substantial net cost. Forecasts for 2024 and 2025 are based on current trends, anticipated volume, and the nature of customer requests.

As mentioned above, as of 2026, \$2M is forecasted annually for the Non-Wires Customer Solutions Program. Additionally, as of 2026 the annual revenue was reduced by \$0.5M to reflect the cost of providing isolations and re-energizations free of charge to customers.

³ Currently, per Hydro Ottawa's Conditions of Service one free non-electrical Isolation/Re-energization is provided.

3. GAINS AND LOSSES ON DISPOSAL OF UTILITY PROPERTY

Hydro Ottawa periodically disposes of assets that are no longer necessary or re-usable in serving the public (e.g. end-of-life assets, asset failure, damaged beyond repair, relocation requests from third parties, surplus inventory, obsolescence, scrap sales etc.). Disposals for assets damaged beyond repair due to storms and other adverse weather events are also captured here. Where the proceeds vary from the net book value of an asset, Hydro Ottawa treats the variances as a debit or credit to income.

Hydro Ottawa applies the associated gains and losses to USofA 1508 Other Regulatory Assets - Sub-Account - Gains and Loss on Disposal of Fixed Assets Variance Account. Please refer to Schedule 9-1-3 - Group 2 Accounts for further details on Account 1508. Table 3 provides the actual gains and losses before the adjustments made to Account 1508 for variance analysis.

Table 3 – Gains and Losses from Disposal of Utility Property (\$'000s)⁴

UsofA	Net Gain/(Loss)	Historical			Bridge		TOTAL
		2021	2022	2023	2024	2025	
4362	OEB Approved	\$ (389)	\$ (751)	\$ (323)	\$ (336)	\$ (445)	\$ (2,243)
4362	Actual	\$ 202	\$ (1,234)	\$ 897	\$ 368	\$ 273	\$ 506
1508	Variance	\$ 590	\$ (483)	\$ 1,220	\$ 704	\$ 718	\$ 2,749

Variance analysis:

The 2022 Derecho storm resulted in asset derecognition charges of approximately \$1M, which is the major driver of the increased loss on disposal experienced in 2022 compared to the other historical years 2021 and 2023.

Hydro Ottawa will begin implementing its Metering Upgrades Program in 2026. This will increase asset derecognition charges from \$0.4M to \$0.8M per year, primarily driving the increase over the

⁴ Totals may not sum due to rounding.

test years. Please refer to Schedule 2-5-7 - System Renewal Investments for additional details on the AMI 2.0 project.

4. SHARED SERVICES TO HYDRO OTTAWA AFFILIATES AND ASSOCIATED COST

Hydro Ottawa provides shared services to its affiliates under the terms of Service Level Agreements (SLA), which are updated annually based on transfer prices determined according to the Affiliate Relationship Code for Electricity Transmitters and Distributors (ARC) requirements.

Hydro Ottawa provides Human Resources, Safety, Environment, Business Continuity, Facilities, Information Technology, Finance, Regulatory, Legal, Customer Service, Communications, Engineering, Meter data reporting, and Mechanic Services to its affiliates. Tables 3 and 4 below provide a summary of the revenues earned from the shared services provided to affiliates, whether through an SLA or other contractual arrangements.

Additional detail on the shared services Hydro Ottawa provides to and receives from affiliates is available in Schedule 4-2-1 - Shared Services and Corporate Cost Allocation.

Consistent with section 2.4.3.2 of the *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications*, dated December 9, 2024, both revenue and costs are recorded in other revenue under USofA Accounts 4325 Revenues from Merchandise and 4330 Costs and Expenses of Merchandising.⁵ For additional details, please see Schedule 4-2-1 - Shared Services and Corporate Cost Allocation and Schedule 4-1-2 - Operations, Maintenance and Administration Program Costs for additional details.

⁵ Ontario Energy Board, Presentation re: *Chapter 1 & 2 Filing Requirements Update for 2019 Applications: Summary of Key Changes* (July 19, 2018), slides 15-16.

Table 4 – Affiliate Services Revenue Earned by Hydro Ottawa 2021-2025 (\$'000s)⁶

Provided By	Provided To	Historical Years			Bridge Years	
		2021	2022	2023	2024	2025
Hydro Ottawa	Hydro Ottawa Holding Inc.	\$ 1,161	\$ 1,386	\$ 1,335	\$ 1,421	\$ 1,480
Hydro Ottawa	Hydro Ottawa Capital Corporation	\$ 1,352	\$ 1,662	\$ 2,021	\$ 1,801	\$ 1,740
Hydro Ottawa	Hydro Ottawa Energy Services Inc.	\$ 1,261	\$ 1,298	\$ 1,528	\$ 1,676	\$ 1,709
Shared Services Revenue		\$ 3,775	\$ 4,346	\$ 4,884	\$ 4,898	\$ 4,929
Shared Services Expenses		\$ (3,012)	\$ (3,544)	\$ (4,137)	\$ (4,057)	\$ (4,174)
Net Revenue		\$ 763	\$ 802	\$ 747	\$ 840	\$ 755

Table 5 – Affiliate Services Revenue Earned by Hydro Ottawa 2026-2030 (\$'000s)⁷

Provided By	Provided To	Test Years				
		2026	2027	2028	2029	2030
Hydro Ottawa	Hydro Ottawa Holding Inc.	\$ 1,583	\$ 1,616	\$ 1,650	\$ 1,684	\$ 1,720
Hydro Ottawa	Hydro Ottawa Capital Corporation	\$ 1,421	\$ 1,451	\$ 1,481	\$ 1,512	\$ 1,544
Hydro Ottawa	Hydro Ottawa Energy Services Inc.	\$ 1,777	\$ 1,814	\$ 1,852	\$ 1,891	\$ 1,931
Shared Services Revenue		\$ 4,780	\$ 4,881	\$ 4,983	\$ 5,088	\$ 5,195
Shared Services Expenses		\$ (4,053)	\$ (4,138)	\$ (4,225)	\$ (4,314)	\$ (4,404)
Net Revenue		\$ 727	\$ 742	\$ 758	\$ 774	\$ 790

Variance analysis:

Variance details are provided in Schedule 4-2-1 - Shared Services and Corporate Cost Allocation.

⁶ Totals may not sum due to rounding.

⁷ Totals may not sum due to rounding.

1 **5. INTEREST AND DIVIDEND INCOME**

2 Interest income refers to interest earned on cash balances within the year. In the years 2021-2023,
3 a modest amount of interest was recorded under USofA Account 4405. Material cash balances are
4 not anticipated between 2024 and 2030.