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**TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO
 ONTARIO ENERGY BOARD STAFF**

JT-1.1.1

1-Staff-275

Audited Financial Statements

Ref 1: 1-Staff-33 IRR / p. 2 / Item 3 on the table

Ref 2: 1-SEC-24_Attach 3 App 2-BA, Account 2440

Preamble:

OEB staff has compiled the following table showing the differences of deferred revenue between reference 1 and reference 2:

| | 2023 | | | 2024 | | |
|------------------|------|--------------------------|-----|------|--------------------------|-----|
| (\$M) | Cost | Accumulated Depreciation | NBV | Cost | Accumulated Depreciation | NBV |
| Reference 1 (a) | 823 | 99 | 724 | 954 | 120 | 834 |
| Reference 2 (b) | 747 | 96 | 652 | 878 | 120 | 758 |
| Difference (a-b) | 76 | 3 | 72 | 76 | 0 | 76 |

16
17
18
19

Question(s):

a) Please reconcile and explain the differences identified/highlighted in the table above.

1 **RESPONSE:**

2

3 a) The table below provides the reconciliation between financial statements (Ref 1) and
4 Appendix 2-BA (Ref 2)

5

6 **Table 1 – Reconciliation**

| | 2023 | | | 2024 | | |
|---|------|--------------------------|----------------|------|--------------------------|----------------|
| | Cost | Accumulated Depreciation | Net Book Value | Cost | Accumulated Depreciation | Net Book Value |
| Reference 1 (a) | 823 | 99 | 724 | 954 | 120 | 834 |
| Reference 2 (b) | 748 | 96 | 652 | 878 | 120 | 758 |
| Difference (a-b)* | 75 | 3 | 72 | 76 | 0 | 76 |
| <u>Explanation of differences</u> | | | | | | |
| Account 2055.CIAC in Ref 2- (Note 1) | 75 | 0 | 75 | 76 | 0 | 76 |
| Regulatory adjustment for MIFRS purposes (Note 2) | 0 | 3 | (3) | 0 | 0 | 0 |

7 *Differences might exist due to rounding

8

9 Note 1: Account 2055.CIAC Construction Work In Progress – CIAC includes customer
10 contributions related to projects that have not yet been put into service. Balances in this
11 account are presented separately in Reference 2.

12 Note 2: The regulatory adjustment pertains to an incorrect historical entry done for MIFRS
13 purposes related to legacy HRZ stranded meters, as explained in the response to JT-1.1.9,
14 part c. This adjustment was reversed in 2024.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ENERGY BOARD STAFF**

3
4 **JT-1.1.2**

5
6 **1-Staff-276**

7 **Ref 1: 1-Staff-13 b) IRR**

8
9 **Preamble:**

10
11 In response to 1-Staff-13, part b), Clearspring Energy Advisors (Clearspring) stated that:

12
13 Clearspring is of the view that it adds credibility to the benchmarking model exercise
14 when models and methodology are consistent from application to application. We do
15 not have a Hydro One model, a Toronto Hydro model, an Alectra Utilities model, or
16 any other client model. Clearspring, instead, has one model that we believe performs
17 the best in predicting total costs for large distributors regardless if they serve a large
18 congested urban core, have extensive rural territory, or are somewhere in the middle.
19 Naturally, we will make improvements over time but this is done consistently.

20
21 **Question(s):**

22
23 a) Does Clearspring believe that it is desirable for a consultant to continue improving
24 benchmarking methods so long as improvements are applied consistently (e.g., applied
25 in all studies going forward) pending further progress? Please explain.

26
27 **RESPONSE:**

28
29 **Response provided by Clearspring**

30
31 a) Generally speaking, yes. There is value in maintaining consistency in the evaluation,
32 subject to incremental enhancements. Conversely, what concerns Clearspring is when a

- 1 benchmarking consultant alternates methodology back and forth from case to case,
- 2 especially when the methodological variations can have substantial consequences on
- 3 the benchmark scores of the studied utility in those different cases.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ENERGY BOARD STAFF**

3
4 **JT-1.1.3**

5
6 **1-Staff-277**

7 **Ref 1: 1-Staff-14 b) IRR**

8
9 **Preamble:**

10
11 In response to 1-Staff-14, part b), Clearspring Energy Advisor (Clearspring) stated that:

12
13 There are other instances of custom output elasticities being negative in the sample.

14
15 **Question(s):**

16
17 a) Please provide more specific explanations for other instances mentioned above.

18
19 **RESPONSE:**

20
21 **Response provided by Clearspring**

22
23 a) The parameter estimates of the model are estimated at the means of the variable data.
24 The advantage of the translog cost model used in the Clearspring estimation approach
25 is the ability for the model to estimate cost elasticities that differ based on size and varying
26 output ratios. This flexibility enables the model and data to represent the underlying
27 relationships between output variables and their impacts on total costs. The translog cost
28 function is used in the annual model for the 4th Generation IR stretch factor updates and
29 the cost function is consistently used by Clearspring when estimating cost benchmarking
30 models. Due to this flexibility advantage, sometimes a specific custom output elasticity
31 will be negative for an observation. In the U.S. data sample used, there are 5,709 custom
32 output elasticities possible (1,903 observations multiplied by 3 outputs). Out of the 5,709

- 1 possibilities there are 654 negatives for area, 276 negatives for customers, and 271
- 2 negatives for peak demand.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ENERGY BOARD STAFF**

3
4 **JT-1.1.4**

5
6 **1-Staff-278**

7 **Ref 1: 1-Staff-17 IRR**

8
9 **Question(s):**

10
11 a) Clearspring noted in response to the interrogatory in reference 1 that more recent inflation
12 forecasts suggest that the appropriate IPD value is 0.24%. Does Clearspring now
13 recommend a 0.24% IPD for Alectra Utilities? If not, why not?
14

15 **RESPONSE:**

16
17 **Response provided by Clearspring**

18
19 a) The IPD result will be impacted as new forecasts are produced by the Conference Board
20 of Canada. As of the January 2026 forecasts, the IPD calculation produces a 0.24%
21 result. Clearspring formulated our IPD recommendation in our report based on a point in
22 time when we purchased the Conference Board of Canada forecasts. We are reluctant
23 to (and are not proposing to) update our recommendation based on the above value and
24 information when that information may continually change, affecting the result in either
25 direction. We would then potentially need to update our IPD recommendation every
26 month as new information becomes available. The recommended G Factor and stretch
27 factor are also recommended based on a point in time and could potentially change as
28 new information becomes available. For all three of these parameters, our
29 recommendations are based on using the latest available information as of the time we
30 conducted our study.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ENERGY BOARD STAFF**

3
4 **JT-1.1.5**

5
6 **1-Staff-279**

7 **Ref 1: 1-Staff-20 IRR**

8
9 **Question(s):**

10
11 a) Clearspring was asked to provide both the econometric cost model and the
12 benchmarking results that result if the HWI is used to calculate asset price trends. OEB
13 staff notes that only the results were provided. Please provide the model.

14
15 **RESPONSE:**

16
17 **Response provided by Clearspring**

18
19 a) Please see the model parameters below. The originally reported coefficients are in the
20 second column of the table and the coefficients using an HWI-only approach for Alectra
21 are in the third column. These models are nearly identical. Since the model is estimated
22 without the Alectra observations included in the model, the parameter estimate changes
23 will be negligible. The changes are due to mean-scaling of variables and using either
24 model will have a very minimal impact on the results. Using the originally reported
25 coefficients and the HWI will result in a -19.4% benchmark score for Alectra's 2027-2031
26 projected costs. Using the HWI-only coefficients will result in a -19.5% benchmark score.

1 **Table 1 – Model Parameters**

| Variable | Originally Reported Coefficient | HWI-Only Coefficients |
|--|--|------------------------------|
| Customers (N) | 0.5148 | 0.5147 |
| Peak Demand (D) | 0.4584 | 0.4584 |
| Area (A) | 0.0467 | 0.0467 |
| N*N | 0.6967 | 0.6965 |
| D*D | 0.9840 | 0.9839 |
| A*A | 0.0329 | 0.0328 |
| N*D | -1.6452 | -1.6449 |
| N*A | 0.1045 | 0.1045 |
| D*A | -0.1204 | -0.1204 |
| % Electric | 0.1602 | 0.1601 |
| Standard Deviation of Elevation | 0.0191 | 0.0191 |
| % OH*% Forest | 0.0402 | 0.0402 |
| % Congested Urban | 17.1423 | 17.1446 |
| % AMI | 0.0497 | 0.0498 |
| Dx Work | 0.1472 | 0.1472 |
| O&M Scope Variable | 0.0772 | 0.0771 |
| Trend | -0.0033 | -0.0033 |
| Constant | 13.2103 | 13.2112 |

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
 2 **ONTARIO ENERGY BOARD STAFF**

3
 4 **JT-1.1.6**

5
 6 **2-Staff-280**

7 **Capital Expenditure**

8 **Ref 1: 2-Staff-45_Attach 1 App 2-AB - 2017-2031 / Tab 2-Staff-45-a-Alectra**

9 **Ref 2: Exhibit 2B / Tab 1 / Schedule 2 / Tables 2-1-6 and 2-1-7 / pp. 2-3 (pdf pp. 11-12)**
 10 **(Updated November 21, 2025)**

11
 12 **Preamble:**

13
 14 OEB staff has compiled the following table showing, from 2018 onwards, the difference
 15 between total capex in reference 2 and net expenditures is transition cost. However, in 2017,
 16 there is a variance of \$11.6M.

17

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|--|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total CapEx (ref 2) (a) | 271.5 | 278.5 | 333.6 | 270.4 | 277.5 | 271.1 | 330.6 | 334.9 | 326.7 | 344.7 | |
| Transition Cost (ref 2) (b) | 25.1 | 42.1 | 34.1 | 11.5 | 7.4 | 5.5 | 2.1 | 1.6 | 6.1 | 1.9 | 137.5 |
| Total CapEx less transition costs (a-b) | 246.4 | 236.4 | 299.5 | 258.9 | 270.1 | 265.6 | 328.5 | 333.3 | 320.6 | 342.8 | |
| Net Expenditures (ref 1) (c) | 258.0 | 236.4 | 298.7 | 258.9 | 270.1 | 265.6 | 328.5 | 333.3 | 320.5 | 342.8 | |
| Variance (a-b-c) | (11.6) | | | | | | | | | | |

18

19 **Question(s):**

20

21 a) Please clarify the nature of “East”, “West”, “Central South”, “Central North” in reference
 22 1.

23 b) Please explain the variance (i.e. \$11.6M) identified in the table above in 2017.

- 1 c) Appendix 2-AB provided in reference 1 is from 2017. Alectra Utilities states “consistent
 2 and reliable information prior to 2017 is not available on a consolidated basis”, please
 3 confirm whether each individual legacy utilities’ capital expenditure is available.
 4 i. If yes, please provide each legacy capital expenditure in Appendix 2-AB format
 5 **with the formulas intact** from its last rebasing and reconcile to reference 1
 6

7 **RESPONSE:**

- 8
 9 a) Please refer to the table below for the nature of “East”, “West”, “Central South”, “Central
 10 North” in reference 1.
 11

12 **Table 1 – Region to Legacy Utility Mapping**

| 2-Staff-45a (Reference1) | Legacy Utility |
|--------------------------|-----------------------------------|
| East | PowerStream Inc. |
| West | Horizon Utilities Corporation |
| Central North | Hydro One Brampton Networks Inc. |
| Central South | Enersource Hydro Mississauga Inc. |

- 13
 14 b) The variance of \$11.6MM is explained by reconciling items below:
 15
 16 1) In Reference 1 (Table 2AB), Guelph Hydro’s 2017-2018 capital expenditures were
 17 included in DSP (EB-2019-0018) to present historical data on a consolidated, system-
 18 wide basis across all eventual Alectra rate zones to ensure consistency for historical
 19 comparative analysis. This is noted in EB-2019-0018 Section 5.4.2.1, Exhibit 4, Tab1,
 20 Schedule 1. However, Guelph Expenditures were not included in Reference 2 for
 21 2017 and 2018 as Guelph Hydro had not yet merged with Alectra Utilities for those
 22 years.
 23 2) Horizon Utilities Capex Vs In-Service Additions Adjustment – To ensure consistency
 24 with OEB approved plans and data filed in prior filings, historical capital data for the
 25 2015-2018 period for Alectra Utilities’ predecessor Horizon Utilities is presented as in-
 26 service capital additions in Reference 1 instead of capital expenditures. Refer to EB-

1 2019-0018 Exhibit 4, Tab 1, Schedule 1, Page 367, Section 5.4.2.3. However,
2 Reference 2 includes capital expenditure amounts for legacy Horizon Utilities (i.e.,
3 not in-service additions).

4 3) Reference 1 (Table 2AB) was part of EB-2019-0018 where certain information
5 technology costs were categorized as sustainment capital. In Reference 2, these
6 costs are categorized as Transition costs, causing a variance.

7 Table 2 provides the reconciling amounts.

8
9 **Table 2 – Reconciling Capex from Reference 1 and Reference 2**

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total CapEx (ref 2) (a) | 271.5 | 278.5 | 333.6 | 270.4 | 277.5 | 271.1 | 330.6 | 334.9 | 326.7 | 344.7 |
| Transition Cost (ref 2) (b) | 25.1 | 42.1 | 34.1 | 11.5 | 7.4 | 5.5 | 2.1 | 1.6 | 6.1 | 1.9 |
| Total CapEx less transition costs (a-b) | 246.4 | 236.4 | 299.5 | 258.9 | 270.1 | 265.6 | 328.5 | 333.3 | 320.6 | 342.8 |
| Net Expenditures (ref 1) (c) | 258.0 | 236.3 | 298.7 | 258.9 | 270.1 | 265.6 | 328.5 | 333.3 | 320.5 | 342.8 |
| Diff | 11.6 | (0.1) | (0.8) | - | - | - | - | - | (0.1) | - |
| Reconciling Items: | | | | | | | | | | |
| Guelph Expenditures | 11.8 | 7.8 | | | | | | | | |
| Horizon Utilities Capex Vs In-Service Additions Adjustment | (2.6) | (7.8) | | | | | | | | |
| Reclassification differences | 2.4 | | (0.8) | | | | | | | |
| Total Reconciling items | 11.6 | - | (0.8) | - | - | - | - | - | - | - |

10 c) Alectra Utilities provides the table as Excel attachment named “JT-1.1.6_Attach
11 1_Pre2017_2AB_legacy Utility” which includes Appendix 2AB for the legacy Utilities.

12
13 Table 3 shows the additional years provided in addition to the 15 years (2017-2031) that
14 were provided in reference 1-2-Staff-45_Attach 1 App 2-AB - 2017-2031 / Tab 2-Staff-
15 45-a-Alectra.

16

1 **Table 3 – Additional Years Provided**

| Legacy Utility | Additional Years |
|-----------------------------------|--------------------------------|
| Horizon Utilities Corporation | 2015 & 2016 |
| Hydro One Brampton Networks Inc. | 2015 & 2016 |
| Enersource Hydro Mississauga Inc. | 2013 , 2014 , 2015 & 2016 |
| Guelph Hydro | 2016 |
| PowerStream Inc. | No additional year(s) required |

2

JT-1.1.6

**Attachment 1
Pre2017 2AB legacy Utility**

Please see live Excel

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ENERGY BOARD STAFF**

3
4 **JT-1.1.7**

5
6 **2-Staff-281**

7 **Depreciation study, Direct Labour Capitalization (DLC) Burden & fix assets**
8 **continuity schedule**

9 **Ref 1: 2-Staff-153 Attach 1_UL and DLC Impact**

10 **Ref 2: 1-Staff-1_Attach 1 to Attach_5 Rev_Reqt Workform1.0_20260220**

11 **Ref 3: 1-SEC-24_Attach 3 App 2-BA**

12
13 **Preamble:**

14
15 Per reference 1, OEB staff notes the following amounts are not updated based on the Alectra
16 Utilities' interrogatory response:

17 1) Tab-Depreciation Impact

- 18 • "Depreciation as filed" (row 16) was not updated per reference 3
19 • "Reversal of UL Change Impact" (row 17) missing value

20 2) Tab-OM&A

- 21 • "OM&A as filed" (row 18) doesn't match Tab 9 in reference 2
22 • "Reversal of DLC" (row 19) missing value

23 3) Tab-PILs Impact

- 24 • "Gross up PILs as filed" (row 11) was not updated per reference 2

25 4) Tab-Rate Base

- 26 • "Rate Base" (row 20) was not updated per reference 2

27 5) Tab-Revenue Requirement

28 The following amounts/row needs to be updated based on the changes above 1) to
29 4)

- 30 • "Rate Base" (row 9)
31 • "Distribution Expenses (not including Depreciation)" (row 12)
32 • "Depreciation" (row 13)

- 1 • “PILs” (row 14): missing formular and the amount doesn’t match interrogatory
- 2 response
- 3 • “Revenue offsets” (row 16): the amount doesn’t match interrogatory response
- 4

5 **Question(s):**

- 6
- 7 a) Please resubmit and update reference 1 **with the formulas intact** using updated
- 8 amounts based on the most recent interrogatory/undertaking response.
- 9 b) Please update the following table assuming changes of the depreciation study and DLC
- 10 study effective from test year 2027 rather than from 2025.
- 11 i. Please quantify the revenue requirement impact and rate base impact (change
- 12 on the opening balance of fixed assets) using the following table compiled by the
- 13 OEB staff.
- 14 • Please **fill all the cells** in the following table
 - 15 • Please **follow the format** of the following table and provide comparison for
 - 16 both scenarios (i.e. applying both studies from 2025, applying both studies
 - 17 from 2027)
- 18

| | Revenue Requirement | | Rate Base | | OM&A | |
|-------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Applying both studies from 2025 | Applying both studies from 2027 | Applying both studies from 2025 | Applying both studies from 2027 | Applying both studies from 2025 | Applying both studies from 2027 |
| 2027 | | | | | | |
| 2028 | | | | | | |
| 2029 | | | | | | |
| 2030 | | | | | | |
| 2031 | | | | | | |

19

20 **RESPONSE:**

- 21
- 22 a) Please see Attachment JT-1.1.7_Attach 1_UL and DLC Impact.xlsx

1 b) Please see Table below:

2 **Table 1 – UL and DLC Impact**

| | Revenue Requirement | | Rate Base | | OM&A | |
|-------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Applying both studies from 2025 | Applying both studies from 2027 | Applying both studies from 2025 | Applying both studies from 2027 | Applying both studies from 2025 | Applying both studies from 2027 |
| 2027 | 814 | 810 | 4,531 | 4,483 | 345 | 345 |
| 2028 | 872 | 869 | 4,803 | 4,755 | 362 | 362 |
| 2029 | 921 | 917 | 5,126 | 5,078 | 378 | 378 |
| 2030 | 980 | 976 | 5,513 | 5,466 | 392 | 392 |
| 2031 | 1,036 | 1,032 | 5,910 | 5,863 | 403 | 403 |

JT-1.1.7

**Attachment 1
UL and DLC Impact**

Please see live Excel

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ENERGY BOARD STAFF**

3
4 **JT-1.1.8**

5
6 **2-Staff-282**

7 **AMI Acceleration of depreciation**

8 **Ref 1: 1-Staff-146 Attach 1 AMI Acceleration of Depreciation**

9 **Ref 2: 1-Staff-1_Attach 1 to Attach 5_Rev_Reqt Workform_20260220**

10 **Ref 3: 1-SEC-24_Attach 3 App 2-BA**

11
12 **Preamble:**

13
14 Per reference 1, OEB staff notes the following amounts are not updated based on the most
15 interrogatory response:

16 1) Tab-PILs Impact

- 17 • “Gross up PILs as filed” (row 11) was not updated per reference 2

18 2) Tab-Rate Base

- 19 • “Rate Base” (row 20) was not updated per reference 2

20 3) Tab-Revenue Requirement

21 The following amounts/row needs to be updated based on the changes in 1) and 2)
22 above.

- 23 • “Rate Revenue Requirement” (row 9)
- 24 • “Rate Base” (row 15)
- 25 • “Distribution Expenses (not including Depreciation)” (row 18)
- 26 • “Depreciation” (row 19)
- 27 • “PILs” (row 20): missing formular and the amount does not match interrogatory
28 response
- 29 • “Revenue offsets” (row 22): the amount doesn’t match interrogatory response

1 **Question(s):**

2

3 a) Please resubmit and update reference 1 **with the formulas intact** using updated
 4 amounts based on the most recent interrogatory/undertaking response.

5 b) Please update the following table per a) to quantify the PILs impact, the revenue
 6 requirement impact and rate base impact (change on the opening balance of fixed assets)
 7 from 2027 to 2031 by completing the following table compiled by OEB staff:

8

| (\$MM) | Depreciation expenses | PILs impact | Revenue Requirement from 2027-2031 | Opening Rate Base |
|---|-----------------------|-------------|------------------------------------|-------------------|
| Standard depreciation (a) | | | | |
| Acceleration of depreciation (b) | | | | |
| Variance (a-b) | | | | |

9

10 **RESPONSE:**

11

12 a) Please see JT-1.1.8_Attach 1_AMI Acceleration of Depreciation.xlsx

13

14 b) Please see Table below:

15

Table 1 – AMI Acceleration of Depreciation Impact

| (\$M) | Depreciation Expense (2027-2031) | PILs Impact (2027-2031) | Revenue Requirement (2027-2031) | Opening 2027 Rate Base |
|--------------------------------|----------------------------------|-------------------------|---------------------------------|------------------------|
| Standard depreciation – (a) | 30.3 | 153.4 | 4,593.8 | 4,354.7 |
| Accelerated depreciation – (b) | 55.3 | 161.4 | 4,620.7 | 4,354.7 |
| Variance (a-b) | (25.0) | (8.0) | (26.9) | - |

16

JT-1.1.8

Attachment 1
AMI Acceleration of Depreciation

Please see live Excel

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ENERGY BOARD STAFF**

3
4 **JT-1.1.9**

5
6 **2-Staff-283**

7 **Comparing capital expenditures to in-service additions**

8 **Ref 1: 2-Staff-143 IRR**

9 **Ref 2: 1-SEC-24_Attach 3 App 2-BA**

10
11 **Question(s):**

12
13 a) Alectra Utilities mentioned 2-SEC-24 on page 3 of reference 1, where is it? OEB Staff
14 only sees 1-SEC-24. Please clarify.

15 b) Please confirm 1-SEC-24_Att 3 is the updated Appendix 2-BA (i.e. reference 2).

16 c) For \$7.3M indicated in Table 2 of reference 1, can you please clarify

17 i. Which column in reference 2 contains Note 1 \$7.3M?

18 ii. Which column in reference 2 contains Note 2 \$7.3M?

19 iii. Is the \$7.3M in column reclassification in 2024 of reference 2 related to legacy
20 Horizon's stranded meter?

21 1) If yes, please explain why the \$7.3M in column M of 2024 accumulated
22 depreciation section is split into 2 accounts (1835, 2440) while it was only
23 recorded to one account in cost section (1860)?

24 2) If no, please clarify the \$7.3M recorded in both reclassification columns for in
25 2024 of reference 2.

26
27 **RESPONSE:**

28
29 a) The IR noted in Reference 1 was incorrectly cited and should be 1-SEC-24.

30
31 b) Confirmed.

- 1 c)
- 2 i. Column E (Cell E559) and Column M (Cell M554 and Cell M580) in Reference 2
- 3 relate to Note 1.
- 4 ii. The values included in Reference 2 at Column H (Cell H559) and Column I (Cell
- 5 I559) included adjustments (Cell H559 -\$7.3M and Cell I559 +\$7.3M) to correct the
- 6 error explained in Note 2.
- 7 iii. Yes, the \$7.3M in column M "Reclassification" of Reference 2 is related to MIFRS
- 8 adjustments pertaining to legacy Horizon stranded meters. The adjustment for
- 9 accumulated depreciation was incorrectly mapped to the accumulated depreciation
- 10 Accounts of 1835 and 2440 instead of Account 1860. These incorrect deferrals were
- 11 reversed in 2024.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ENERGY BOARD STAFF**

3
4 **JT-1.1.10**

5
6 **2-Staff-284**

7 **Fix assets continuity schedule before 2017/2019 for each legacy**

8 **Ref 1: 2-Staff-142 IRR**

9 **Ref 2: [Chapter 2 Appendices](#) / Tab App.2-BA_Fixed Asset Cont**

10
11 **Question(s):**

12
13 Please update Attachments 1 to 5 in reference 1 **with the formulas intact** according to the
14 following requirements:

15
16 a) Attach 1 Pre 2017 Legacy Fixed Asset Continuity Schedules

17 i. HZ-2015

- 18 • Please update format/structure using exact Appendix 2-BA model in reference
19 2 including “Sub-Total”, “total PP&E for rate base purpose”, “net depreciation”

20 ii. HZ-2016

- 21 • Please update format/structure using exact Appendix 2-BA model in reference
22 2 including “Sub-Total”, “total PP&E for rate base purpose”, “net depreciation”
23 • Please use formula filling in 2016 opening balance (i.e. cost and accumulated
24 depreciation) of 2016 instead of hardcoding

25 iii. BR-2015, BR-2016

- 26 • Please update format/structure using exact Appendix 2-BA model in reference
27 2 including “Sub-Total”, “total PP&E for rate base purpose”, “net depreciation”
28 for both years
29 • Please use formula filling in 2016 opening balance (i.e. cost and accumulated
30 depreciation) of 2016 instead of hardcoding

31 iv. ERZ-2013, ERZ-2014, ERZ-2015, ERZ-2016

- 1 • Please update format/structure using exact Appendix 2-BA model in reference
2 2 including “Sub-Total”, “total PP&E for rate base purpose”, “net depreciation”
3 for each year
4 • Please use formula filling in opening balance (i.e. cost and accumulated
5 depreciation) of 2014, 2015 and 2016 instead of hardcoding
- 6 b) Attach 2 2017 Legacy Fixed Asset Continuity Schedules
7 Attach 3 2018 Legacy Fixed Asset Continuity Schedules
- 8 i. For Legacy Enersource, Legacy Powerstream, Legacy Brampton, Legacy
9 Horizon
- 10 • Please update format/structure using exact Appendix 2-BA model in reference
11 2 including “Sub-Total”, “total PP&E for rate base purpose”, “net depreciation
12 for each sheet
13 • Please use formula filling in opening balance (i.e. cost and accumulated
14 depreciation) of 2017/2018 instead of hardcoding for each legacy
- 15 ii. Reconciliation
- 16 • Please update Appendix 2-BA based on the most recent version per
17 interrogatory/undertaking response
- 18 c) Attach 4 2019 Legacy Guelph Fixed Asset Continuity Schedules
- 19 i. Guelph 2016, 2017, 2018 Year-end and 2019
- 20 • Please update format/structure using exact Appendix 2-BA model in reference
21 2 including “Sub-Total”, “total PP&E for rate base purpose”, “net depreciation
22 for all these four sheets
23 • Please use formula filling in opening balance (i.e. cost and accumulated
24 depreciation) of 2017, 2018, 2019 instead of hardcoding
- 25 ii. Reconciliation
- 26 • Please update Appendix 2-BA based on the most recent version per
27 interrogatory/undertaking response
- 28 d) For Attach 5 2019 Legacy Fixed Asset Continuity Schedules Reconciliation
- 29 i. Guelph Hydro
- 30 • Please use formula filling in opening balance (i.e. cost and accumulated
31 depreciation) of 2019 instead of hardcoding per c) above
- 32 ii. Opening balance

- 1 • Please use formula filling in opening balance (i.e. cost and accumulated
2 depreciation) of 2018 instead of hardcoding per Attach 3 in b) above
3 • Cell O70 (net depreciation) only shows 2018 HRZ value, please correct the
4 amount showing all the related legacies and reconcile to the Appendix 2-BA
5 based on the most recent version per interrogatory/undertaking response
6 iii. Reconciliation
7 • Please update Appendix 2-2BA based on the most recent version per
8 interrogatory/undertaking response
9 • Please “Net Depreciation” amount as well for the reconciliation

10

11 **RESPONSE:**

12

13 a), b), c), d) Please see JT-1.1.10_Attach 1_Fixed Asset Continuity Schedules (2013-
14 2019).

15

16 This Attachment combines all the following schedules that were filed as part of IR 2-Staff-
17 142:

- 18 • Attach 1_Pre 2017 Legacy Fixed Asset Continuity Schedules
19 • Attach 2_2017 Legacy Fixed Asset Continuity Schedules
20 • Attach 3_2018 Legacy Fixed Asset Continuity Schedules
21 • Attach 4_2019 Legacy Guelph Fixed Asset Continuity Schedules
22 • Attach 5_2019 Legacy Fixed Asset Continuity Schedules Reconciliation

23

24 All schedules have been presented using the exact format/structure of Appendix 2-BA model
25 and include formulas for opening balances.

JT-1.1.10

Attachment 1
Fixed Asset Continuity Schedules
2013-2019

Please see live Excel

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ENERGY BOARD STAFF**

3
4 **JT-1.1.11**

5
6 **2-Staff-285**

7 **Ref 1: 2-Staff-149 b) v. IRR**

8 **Ref 1: 2-Staff-149_Attach 1_Appendix 2-ZA ZB 2027-2031 / All App.2-ZB_Cost of**
9 **Power tabs**

10
11 **Preamble:**

12
13 In response to 2-Staff-149, part b) v. in reference 1, Alectra Utilities states that it updated the
14 excel models in reference 2 to reflect the latest OEB-approved Wholesale Market Service
15 (WMS) rates and Class B CBR charge based on the EB-2025-0299, Decision and Order,
16 December 11, 2025 with the WMS rate of \$0.0041/kWh and the CBR charge of \$0.0006/kWh
17 for 2026.

18
19 Tabs 2-ZB in reference 2 shows the WMS rates of 0.0042 for 2027, 0.0043 for 2028, 0.0044
20 for 2029, 0.0045 for 2030, and 0.0046 for 2031, while the CBR charge shows \$0.0006/kWh
21 for the 2027 to 2031 period. It appears that the WMS rates have been updated with 2%
22 inflation per year from 2027 to 2031 based on the approved WMS rate in 2026, while the
23 CBR charge remains unchanged at \$0.0006/kWh from 2027 to 2031.

24
25 **Question(s):**

- 26
27 a) Please confirm staff's observation on the forecast WMS rates for the 2027 to 2031 period.
28 If not confirmed, please explain Alectra Utilities' assumptions used to derive the WMS
29 rates for 2027 to 2031 in reference 1.
30 b) Please explain Alectra Utilities' assumptions used to derive the CBR charges for the 2027
31 to 2031 period in reference 2.

1 **RESPONSE:**

2

3 a) Alectra Utilities confirms the OEB Staff's observation on the forecast WMS rates for the
4 2027 to 2031 period. The WMS rates have been updated to reflect 2% annual inflation
5 from 2027 to 2031, based on the approved WMS rate in 2026.

6

7 b) Alectra Utilities used the same assumption to derive the CBR charges by applying a 2%
8 annual inflation factor from 2027 to 2031, based on the approved CBR charge of
9 \$0.0006/kWh for 2026. However, as this rate is rounded to 4 decimal places, the rounded
10 rate is still shown as \$0.0006 for 2027 to 2031.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ENERGY BOARD STAFF**

3
4 **JT-1.1.12**

5
6 **6-Staff-286**

7 **Tax Credits**

8 **Ref 1: 6-Staff-207 IRR**

9 **Ref 2: 6-Staff-207_Attach 1_PILs model / Tab T0, PILs,Tax Provision Test**

10
11 **Preamble:**

12
13 Alectra Utilities states in reference 1 that the inclusion of the tax credits in the PILs model
14 assumes that the tax credits have not been included in Regulatory Income before Taxes,
15 which is inconsistent with Alectra Utilities set of facts. Alectra Utilities also states that an
16 adjustment is made to add to taxable income the amount of the prior year's tax credits
17 received, and a deduction is taken for the accrued current-year tax credits that are recorded
18 in Regulatory Income before Taxes, which is consistent with the treatment on Alectra Utilities
19 tax returns.

20
21 OEB staff notes that the updated tax credit is \$1,418,189 (i.e. 2022-2024 average) per Table
22 4 in reference 1, however, the amount in reference 2 still remains unchanged at \$915,000.

23
24 In Tab T1 Sch 1 Taxable Income Test of reference 2, OEB staff also notes that Alectra
25 Utilities included \$915,000 tax credit in the "total addition" in calculating the regulatory taxable
26 income.

27
28 **Question(s):**

29
30 a) Please confirm the updated tax credits per Table 4 is \$1,418,189 based on 2022-2024
31 average instead of \$915k as pre-filed.

32 i. If yes, please update tax credit in reference 2 using \$1,418,189

- 1 ii. If no, please explain why not.
- 2 b) Please explain why tax credits is part of taxable income.
- 3 c) Please provide the precedent case that the OEB approved to include tax credits in the
- 4 taxable income in calculating PILs. Please provide the EB number.
- 5 d) Please provide related tax rules showing tax credit is part of the taxable income.
- 6 e) Please provide the PILs model assuming the tax credit is excluded in the taxable income.
- 7

8 **RESPONSE:**

9

- 10 a) Alectra confirms the updated tax credits of \$1,418,189 in Table 4 of Interrogatory
- 11 Response 6-Staff-207 to be based on the 2022-2024 average. This amount consists of
- 12 \$1,000,112 in investment tax credits relating to Scientific Research and Experimental
- 13 Development, and \$418,077 of miscellaneous tax credits relating to the Federal
- 14 Apprenticeship Job Creation tax credit and the Ontario Co-Education tax credit.
- 15 i) Please see the attachment JT-1.1.12_Attach 1_PILs Model. The following changes
- 16 have been made to the PILs model in Reference 2:
- 17 1) The investment tax credit amount in Tab "T0 PILs, Tax Provision Test", row 21,
- 18 has been updated from \$565,000 to \$1,000,112.
- 19 2) The miscellaneous tax credit amount in Tab "T0 PILs, Tax Provision Test", row
- 20 22 has been updated from \$350,000 to \$418,077.
- 21 3) The adjustment to taxable income to adjust for Prior Year Investment Tax Credits
- 22 Received in Tab "T1 Sch 1 Taxable Income Test", row 64, has been changed
- 23 from \$915,000 to \$1,418,189.
- 24
- 25 b) Pursuant to paragraph 12(1)(x) of the Income Tax Act, tax credits are included as taxable
- 26 income in the year the tax credits are received by the taxpayer.
- 27

28 ***Excerpt: Income Inclusions under paragraph 12(1)(x) of the Income Tax***

29 ***Act***

30 ***(x) Inducement, reimbursement, etc.***

1 *any particular amount (other than a prescribed amount) received by the*
2 *taxpayer in the year, in the course of earning income from a business or*
3 *property, from*

4
5 *(i) a person or partnership (in this paragraph referred to as the “payer”) who*
6 *pays the particular amount*

7 *(A) in the course of earning income from a business or property,*

8 *(B) in order to achieve a benefit or advantage for the payer or for persons*
9 *with whom the payer does not deal at arm's length, or*

10 *(C) in circumstances where it is reasonable to conclude that the payer*
11 *would not have paid the amount but for the receipt by the payer of amounts*
12 *from a payer, government, municipality or public authority described in this*
13 *subparagraph or in subparagraph (ii), or*

14
15 *(ii) a government, municipality or other public authority,*

16 *where the particular amount can reasonably be considered to have been*
17 *received*

18
19 *(iii) as an inducement, whether as a grant, subsidy, forgivable loan, **deduction***
20 ***from tax**, allowance or any other form of inducement, or*

21
22 *(iv) as a refund, reimbursement, contribution or allowance or as assistance,*
23 *whether as a grant, subsidy, forgivable loan, deduction from tax, allowance or*
24 *any other form of assistance, in respect of*

25 *(A) an amount included in, or deducted as, the cost of property, or*

26 *(B) an outlay or expense,*

27
28 c) The inclusion of tax credits to taxable income is captured in the Ontario Energy Board's
29 Income Tax/PILs Model Workform template found on the Ontario Energy Board's
30 website. The description of the add back to taxable income included in the template is
31 “Prior Year Investment Tax Credits Received”. As an example, the PILs Model

1 Workforms filed in Toronto Hydro's rate application EB-2023-0195 includes an amount
2 that is added to taxable income under "Prior Year Investment Tax Credits Received".

3

4 d) Please refer to response Part b).

5 e) Please see JT-1.1.12_Attach 2_PILs Model_Scenario, which assumes that tax credits
6 received are not added back to taxable income. This assumption contradicts the Income
7 Tax Act requirement referenced in Part b) of this response.

JT-1.1.12

**Attachment 1
PILS Model**

Please see live Excel

JT-1.1.12

**Attachment 2
PILS Model Scenario**

Please see live Excel

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ENERGY BOARD STAFF**

3
4 **JT-1.1.13**

5
6 **6-Staff-287**

7 **Accelerated Investment Incentive Program (AIIP)**

8 **Designated Immediate Expensing Property (DIEP)**

9 **Ref 1: 6-Staff-209 IRR**

10 **Ref 2: 6-Staff-209 Attach 3_Actual Additions**

11 **Ref 3: 6-Staff-209 Attach 4_All Impact on ICM Projects**

12 **Ref 4: 6-Staff-209 Attach 5 1592 Reconciliation**

13 **Ref 5: 9-Staff-247 Attachment 1 to 9-Staff-250 Attachment 1 and 9-Staff-251**

14 **Attachment 2 (DVA Continuity Schedules)**

15 **Ref 6: 6-Staff-207_Attach 1_PILs Model / Tab T8 Sch 8 CCA Test**

16
17 **Preamble:**

18
19 Per reference 1, Alectra Utilities provided Table 1 reflecting the use of actual capital additions
20 in Account 1592 and states the table cannot be broken down by rate zone as the fixed asset
21 continuity cannot be prepared by rate zone. Alectra Utilities also provided Table 6 presenting
22 the difference between net capital additions for tax purposes under the two methodologies
23 (i.e., approved capital additions Vs actual capital additions)

24
25 OEB staff notes Table 1 reflects the principal balance of Account 1592 by using actual capital
26 addition approach.

27
28 Per reference 2, OEB staff notes the 2019 opening UCC is hardcoded in Sch 8.

29
30 Per references 4 and 5, OEB staff has compiled the following table showing the difference of
31 principal balances in reference 4 and the amount actually recorded in DVA continuity
32 schedule of each rate zone in reference 5.

| Total reconcile to Table 9-3-59 Principal balances (Ref 4) | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|----------|----------|---------|------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
| BRZ | 1,109,821 | 922,904 | 943,574 | 754,383 | 687,985 | (10,088) | 23,753 | 45,785 | 4,478,117 |
| ERZ | 2,274,160 | 1,322,761 | 1,335,101 | 1,204,700 | 1,104,251 | (51,283) | 26,841 | 69,742 | 7,286,274 |
| GRZ | 472,445 | 360,905 | 333,039 | 293,337 | 265,241 | (48,378) | (10,283) | 9,118 | 1,675,425 |
| HRZ | 1,933,068 | 1,501,248 | 1,399,929 | 1,259,315 | 1,155,605 | (63,954) | 43,960 | 96,412 | 7,325,583 |
| PRZ | 3,210,335 | 2,799,700 | 2,998,888 | 3,053,019 | 2,860,783 | 117,163 | 286,564 | 359,714 | 15,686,164 |
| Total | 8,999,830 | 6,907,519 | 7,010,531 | 6,564,753 | 6,073,866 | (56,540) | 370,834 | 580,771 | 36,451,562 |

| Principal balances from DVA Continuity (Ref 5) | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|----------|----------|---------|------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
| BRZ | 1,109,821 | 922,904 | 913,116 | 784,841 | 687,985 | (18,028) | 23,753 | 45,785 | 4,470,178 |
| ERZ | 2,274,160 | 1,322,761 | 1,169,970 | 1,369,831 | 1,104,251 | (1,923) | 26,841 | 69,742 | 7,335,634 |
| GRZ | 472,445 | 360,905 | 304,140 | 321,932 | 265,242 | (42,412) | (10,283) | 9,118 | 1,681,087 |
| HRZ | 1,933,068 | 1,501,248 | 1,307,126 | 1,352,118 | 1,155,605 | (56,619) | 43,960 | 96,412 | 7,332,919 |
| PRZ | 3,210,335 | 2,799,700 | 2,887,756 | 3,164,153 | 2,860,783 | 62,440 | 286,564 | 359,713 | 15,631,444 |
| Total | 8,999,830 | 6,907,519 | 6,582,107 | 6,992,875 | 6,073,866 | (56,541) | 370,834 | 580,771 | 36,451,261 |

1

2

3 **Question(s):**

4

5 a) Please explain why actual capital additions from 2019 onwards cannot be broken down
 6 by rate zones and Alectra Utilities cannot create actual fixed asset continuities by rate
 7 zone.

8 b) Please update reference 2 by including the carrying charges from 2019 to 2026.

9 • Please provide spreadsheet **with the formulas intact** showing the
 10 calculation.

11 c) In reference 3, please explain why “incremental capital” starts change in 2022 from the
 12 previous years in cell H6 in the following three sheets:

- 13 • ERZ Transformer ICM 2019
- 14 • PRZ Bathurst ICM 2019
- 15 • PRZ YRRT ICM 2019

16 d) Please provide 2019 tax return and reconcile schedule 8 CCA to the 2019 opening UCC
 17 in reference 2

18 e) Please explain the variance between reference 4 and 5 identified by OEB staff in the
 19 table above.

20 f) Per reference 6, please confirm Alectra Utilities has applied phase-out AIIP from 2025 to
 21 2027 and reversed back to the legacy half-year rule from 2028 to 2031.

1 **RESPONSE:**

2

3 a) Alectra Utilities consolidated all legacy fixed asset records of ERZ, PRZ, HRZ, and BRZ
4 into a single asset register when moving to Alectra's ERP system in 2019. GRZ's assets
5 were added to Alectra's fixed asset register in 2022. All fixed asset transactions
6 processed after these system conversions do not distinguish between rate zones. Alectra
7 does not manage financial results at the rate zone level.

8

9 b) Alectra Utilities has updated reference 2 to include the carrying charges from 2019 to
10 2026. Please refer to JT-1.1.13_Attach 3_Actual Additions, Tab Part d) ii, Cells J12 to
11 J19.

12

13 c) Upon further review, Alectra Utilities has confirmed that net book value should be used
14 for incremental capital when calculating the revenue requirements for the 2019 ERZ
15 Leaking Transformer, 2019 PRZ Bathurst Road Widening, and PRZ Road Authority
16 YRRT projects. Alectra Utilities also identified that the 2023 AIIP impact related to the
17 ICM projects had been inadvertently omitted for ERZ and PRZ. Accordingly, Alectra
18 Utilities has updated the calculations for the impacted projects, including the associated
19 carrying charges, as reflected in Attachment JT-1.1.13_Attach 4_All Impact_ICM
20 Projects. These updates have increased the AIIP impact related to the ICM projects from
21 \$277,321 to \$562,596.

22

23 To capture the resulting changes to Account 1592, Alectra Utilities has revised the
24 projected transactions during 2026 in the DVA continuity schedules for ERZ and PRZ,
25 submitted as JT-1.1.13_Attach 5_DVA Continuity Schedule_ERZ and JT-1.1.13_Attach
26 6_DVA Continuity Schedule_PRZ.

27

28 d) Please see attachment JT-1.1.13_Attach 1_AUC PILs 12312019 T2 for a copy of the
29 2019 tax return.

30

31 Please see attachment JT-1.1.13_Attach 2_2019 Opening UCC Rec for a reconciliation
32 between the opening UCC per the tax return and the opening UCC per Reference 2.

1 e) The difference between the principal balances shown in reference 4 and the amounts
2 recorded in the DVA continuity schedule for each rate zone in reference 5 for 2021 and
3 2022 is attributable to the timing of recognition of the revenue requirement impacts of the
4 DIEP. Alectra Utilities began recording the DIEP-related impacts in 2022, the year in
5 which Bill C-19 received Royal Assent (i.e. June 2022). However, reference 4 captures
6 the DIEP impacts starting in 2021 associated with eligible capital assets acquired on or
7 after April 19, 2021.

8
9 The difference between the principal balances shown in reference 4 and the amounts
10 recorded in the DVA continuity schedule for each rate zone in reference 5 for 2024 is
11 attributable to the use of different allocation percentages among rate zones when
12 recording the DIEP impacts in 2024. Alectra Utilities has updated the DVA continuity
13 schedules for Account 1592 projected transactions during 2026 to align with the balances
14 included in reference 4.

15
16 The updated DVA schedules are submitted as JT-1.1.13_Attach 7_DVA Continuity
17 Schedule_BRZ, and JT-1.1.13_Attach 8_DVA Continuity Schedule_HRZ and JT-
18 1.1.13_Attach 9_DVA Continuity Schedule_GRZ.

19
20 f) Per Reference 6, Alectra confirms that the phase-out of AIIP from 2025 to 2027 and the
21 half-year rule from 2028 to 2031 has been used to calculate capital cost allowance.

JT-1.1.13

**Attachment 1
AUC PILs 12312019 T2**



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.

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 Web site: www.cra.gc.ca/sred.

Part 1 – General information

| | |
|---|---|
| <p>010 Name of claimant</p> <p style="text-align: center;">ALECTRA UTILITIES CORPORATION</p> | <p>Enter one of the following:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 80%;"> <p style="text-align: center;">Business number (BN)</p> </div> <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 80%;"> <p style="text-align: center;">Social insurance number (SIN)</p> </div> |
| <p>Tax year</p> <p>From: 2019-01-01 <small style="margin-left: 40px;">Year Month Day</small></p> <p>To: 2019-12-31 <small style="margin-left: 40px;">Year Month Day</small></p> | |
| <p>050 Total number of projects you are claiming this tax year:</p> <p style="text-align: center;">7</p> | |
| <p>100 Contact person for the financial information</p> <p style="text-align: center;">[Redacted]</p> | <p>105 Telephone number/extension</p> <p style="text-align: center;">[Redacted]</p> |
| <p>115 Contact person for the technical information</p> <p style="text-align: center;">[Redacted]</p> | <p>120 Telephone number/extension</p> <p style="text-align: center;">[Redacted]</p> |
| | <p>110 Fax number</p> <p style="text-align: center;">[Redacted]</p> |
| | <p>125 Fax number</p> <p style="text-align: center;">[Redacted]</p> |

151 If this claim is filed for a partnership, was Form T5013 filed? 1 Yes 2 No

If you answered **no** to line 151, complete lines 153, 156 and 157.

| 153 Names of the partners | 156 % | 157 BN or SIN |
|----------------------------------|--------------|----------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |

Part 2 - Project information

CRA internal form identifier 060
Code 1501

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 |

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

162 1 I choose to use the traditional method
(Enter "0" on lines 355 and 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 + | 1,426,000 |
| b) Specified employees for work performed in Canada | 305 + | |
| Subtotal (add lines 300 and 305) | 306 = | 1,426,000 |
| 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 (see note 1) | 340 + | 493,255 |
| b) Non-arm's length contracts (see note 1) | 345 + | |
| • Lease costs of equipment used before 2014 : | | |
| a) All or substantially all (90% of the time or more) for SR&ED | 350 + | |
| b) Primarily (more than 50% of the time but less than 90%) for SR&ED. (Enter 50% of lease costs if you use the proxy method or enter "0" if you use the traditional method) | 355 + | |
| • Overhead and other expenditures (enter "0" if you use the proxy method) | 360 + | |
| • Third-party payments (see note 2) (complete Form T1263*) | 370 + | 7,500 |

Total current SR&ED expenditures (add lines 306 to 370; do not add line 315)
(Corporations may need to adjust line 118 of schedule T2SCH1)

| | | |
|--|--------------|-----------|
| | 380 = | 1,926,755 |
|--|--------------|-----------|

• Capital expenditures for depreciable property available for use **before 2014**
(Do not include these capital expenditures on schedule T2SCH8)

| | | |
|--|--------------|--|
| | 390 + | |
|--|--------------|--|

Total allowable SR&ED expenditures (add lines 380 and 390)

| | | |
|--|--------------|-----------|
| | 400 = | 1,926,755 |
|--|--------------|-----------|

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

Amount from line 400

| | | |
|--|------------|-----------|
| | 420 | 1,926,755 |
|--|------------|-----------|

Deduct

| | | |
|--|--------------|-----------|
| • provincial government assistance for expenditures included on line 400 | 429 – | 65,089 |
| • other government assistance for expenditures included on line 400 | 431 – | |
| • non-government assistance for expenditures included on line 400 | 432 – | |
| • SR&ED ITCs applied and/or refunded in the prior year (see guide) | 435 – | 2,016,170 |
| • sale of SR&ED capital assets and other deductions | 440 – | |
| Subtotal (line 420 minus lines 429 to 440) | 442 = | -154,504 |

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 + | |
| • 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) (enter positive amount only, include negative amount in income) | 455 = | |

• Deduction claimed in the year
(Corporations should enter this amount on line 411 of schedule T2SCH1)

| | | |
|--|--------------|--|
| | 460 – | |
|--|--------------|--|

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

| | | |
|--|--------------|--|
| | 470 = | |
|--|--------------|--|

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

Note 1 – For contract expenditures made after 2013, no amounts for purchasing or leasing capital property can be included.

Note 2 – For third-party payments made after 2013, no amounts for purchasing or leasing capital property can be included.

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

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

| Enter the breakdown between current and capital expenditures (to the nearest dollar) | | Current Expenditures | Capital Expenditures |
|---|--------------|----------------------|-------------------------------|
| Total expenditures for SR&ED (from lines 380 and 390) | 492 | <u>1,926,755</u> | 496 |
| Add | | | |
| • payment of prior years' unpaid amounts (other than salary or wages) (see note 5) | 500 + | | |
| • prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method) | 502 + | <u>714,093</u> | |
| • expenditures on shared-use equipment for property acquired before 2014 | | | 504 + |
| • qualified expenditures transferred to you (see note 3) (complete Form T1146**) | 508 + | | 510 + |
| Subtotal (add lines 492 to 508, and add lines 496 to 510) | 511 = | <u>2,640,848</u> | 512 = |
| Deduct (see note 4) | | | |
| • provincial government assistance | 513 - | <u>90,082</u> | 514 - |
| • other government assistance | 515 - | | 516 - |
| • non-government assistance and contract payments | 517 - | | 518 - |
| • current expenditures (other than salary or wages) not paid within 180 days of the tax year end (see note 5) | 520 - | | |
| • amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier | 528 - | | |
| • 20% of expenditures included on lines 340 and 370 | 529 - | <u>100,151</u> | |
| • prescribed expenditures not allowed by regulations (see guide) | 530 - | | 532 - |
| • other deductions (see guide) | 533 - | | 535 - |
| • non-arm's length transactions | | | |
| – assistance allocated to you (complete Form T1145*) | 538 - | | 540 - |
| – 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 - | | 543 - |
| – qualified expenditures you transferred (complete Form T1146**) | 544 - | | 546 - |
| Subtotal (line 511 minus lines 513 to 544 and line 512 minus lines 514 to 546) | 557 = | <u>2,450,615</u> | 558 = |
| Qualified SR&ED expenditures (add lines 557 and 558) | | | 559 = <u>2,450,615</u> |
| 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 = <u>2,450,615</u> |

* 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 3 – On line 510 (capital) – Only include expenditures made before 2014 by the transferor (performer). Complete the latest version of Form T1146.

Note 4 – On lines 514, 516, 518, 532, 535, 540, 543 and 546 – Only include amounts related to expenditures of a capital nature made before 2014.

Note 5 – For arm's length contracts, only include 80% of the contract amount.

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 + | 1,426,000 |
| Deduct | | | | | | |
| Bonuses, remuneration based on profits, and taxable benefits that were included on line 810 | | | | | 812 - | 127,649 |
| Subtotal (line 810 minus 812) | | | | | 814 = | 1,298,351 |
| Salary or wages of specified employees | | | | | | |
| 850 Column 1 | 852 Column 2 | 854 Column 3 | 856 Column 4 | 858 Column 5 | 860 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 + | _____ |
| Salary base (total of lines 814 and 816) | | | | | 818 = | 1,298,351 |

| | |
|--|----------------------|
| Section B – Prescribed proxy amount (PPA) | |
| Enter 65% of the salary base (line 818) less 5% of the salary base for the number of 2013 calendar days in the tax year, and less 10% of the salary base for number of days after 2013 in the tax year (use the formula in the guide-line 820) | 820 = 714,093 |
| Enter the amount from line 820 on 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.

| 750 | 752 | 754 | 756 |
|---|---------------------------------|-----------------------------------|--|
| 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 |
| | (Total of lines 306 to 309) | (Total of lines 320 and 325) | (Total of lines 340 and 345) |
| 1. P1: System assets, equip & apparatus improvement (Standar | 104,225 | | 9,630 |
| 2. P2: Distribution Design Concepts - ICI, Stations, Transporta | 236,401 | | 276,914 |
| 3. P3: Electric power distribution systems - Technical strategy | 143,991 | | 4,500 |
| 4. P4: Asset condition harmonizing methodologies and strategi | 82,284 | | |
| 5. P5: Protection and Control OMS development and operations | 226,894 | | |
| 6. P6: Green Renewable Energy and Technology Centre Smart | 606,274 | | 194,911 |

| 750 | 752 | 754 | 756 |
|--|------------------------------------|--------------------------------------|--|
| 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 |
| | (Total of lines 306 to 309) | (Total of lines 320 and 325) | (Total of lines 340 and 345) |
| 7. P7: Sustainable generation systems design and development | 25,931 | | 7,300 |
| Total | 1,426,000 | | 493,255 |

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 \$1000 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?

- 1 Yes (complete the claim preparer information table and lines 970 and 975 below)
- 2 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*) | 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. Under separate cover by Deloitte LLP | | | | | |
| Total | | | | | |

*** 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, John G. Basilio, certify that the information provided in this part is complete

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

975 2020-06-24
Year Month Day

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 John G. Basilio **170** 2020-06-24
Name of authorized signing officer of the corporation, or individual Date

175 DELOITTE 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.

Information is described in personal information bank CRA PPU 441 “Scientific Research and Experimental Development” in the Canada Revenue Agency (CRA) chapter of *Info Source*. Personal information is protected under the *Privacy Act*, and individuals have a right of access to, correction, and protection of their personal information. Further details regarding requests for personal information at the CRA and our *Info Source* chapter can be found at www.cra.gc.ca/atip.



THIRD-PARTY PAYMENTS FOR SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT (SR&ED)

Complete this form for each third-party payment and attach it to Form T661.

For more information on third-party payments:

- See line 370 of Guide to Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
- Third-Party Payments Policy;
- Consult our Web site: www.cra.gc.ca/sred.

Required Information

1. Identification

| | | | |
|------------|---|----------------------------|------------------------|
| 701 | Name of the third party YORK UNIVERSITY | | |
| 702 | Address (Street number and name) 4700 Keele Street | | |
| | City Toronto | Province / Territory ON | Postal Code M3J 1P3 |
| 704 | Total amount paid in the year \$ 7,500 | | |

Identify the research project(s) performed by the third-party entity for the payment

| | |
|------------|---|
| 706 | Project title (and identification code if applicable) 1 P6: Smart Grid initiatives development |
|------------|---|

Check the appropriate box to indicate the type of entity:

| | | | | |
|------------|---|-------|-------------------------------------|-------------------------------|
| 711 | Approved association | 1 Yes | <input type="checkbox"/> | |
| 712 | Non-profit SR&ED corporation resident in Canada | 1 Yes | <input type="checkbox"/> | |
| 714 | An approved university, college, research institute, or other similar institution | 1 Yes | <input checked="" type="checkbox"/> | |
| 716 | Granting council | 1 Yes | <input type="checkbox"/> | |
| 718 | Other corporation resident in Canada | 1 Yes | <input type="checkbox"/> | |
| 721 | Are you dealing at arm's length with the recipient? | 1 Yes | <input checked="" type="checkbox"/> | 2 No <input type="checkbox"/> |

2. Nature of payment

Check the appropriate box to indicate the type of entity:

| | | | | |
|---------------------|--|-------|-------------------------------------|--|
| The payment is for: | | | | |
| 731 | Experimental development | 1 Yes | <input checked="" type="checkbox"/> | |
| 732 | Applied research | 1 Yes | <input type="checkbox"/> | |
| 734 | Basic research | 1 Yes | <input type="checkbox"/> | |
| 736 | Briefly explain what the payment is for: Payment for the project: Impact of full battery based electric bud transit system adoption on the Ontario Electricity Grid | | | |

738 Briefly explain how the SR&ED is related to a business that you carry on:

The relationship would involve studying the impact
of full battery based electric bus transit system adoption
on Alectra's electricity distribution grid

740 Briefly explain how you are entitled to exploit the results of the SR&ED:

The taxpayer would exploit the results through the development of systems
and methodologies to accommodate large scale adoption of EV bus
transportation on Alectra's electrical distribution grid.

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 audit, enforcement action, 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/or delays in processing SR&ED claims.

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T1263 E (15)



Part 2 – Project information (continued)

Project number 1

CRA internal form identifier 060

Code 1501

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

| | | | |
|--|---|---|---------------------------------------|
| Section A – Project identification | | | |
| 200 Project title (and identification code if applicable) | | | |
| P1: System assets, equip & apparatus improvement (Standards) | | | |
| 202 Project start date | 204 Completion or expected completion date | 206 Field of science or technology code (See guide for list of codes) | |
| 2011-01 Year Month | 2021-12 Year Month | 2.02.01 | Electrical and electronic engineering |
| Project claim history | | | |
| 208 1 <input checked="" type="checkbox"/> Continuation of a previously claimed project | | 210 1 <input type="checkbox"/> First claim for the project | |
| 218 Was any of the work done jointly or in collaboration with other businesses? 1 <input type="checkbox"/> Yes 2 <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 | | | |

| | |
|---|--|
| Section B – Project descriptions | |
| 242 What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines) | |
| 1. Alectra (Powerstream, Enersource, Horizon) has sets of existing technical | |
| 2. specifications and standards for the equipment, materials and construction | |
| 3. methods for both its overall power distribution network/grid. Power | |
| 4. utilities have been subjected to increasing regulatory scrutiny by the OEB | |
| 5. and interveners participating in OEB proceedings. Such scrutiny extends to | |
| 6. design standards and practices. Alectra has implemented asset standard | |
| 7. management programs for health indices, risk-based economic analyses | |
| 8. (probability of failure and criticality), and recommended Asset | |
| 9. Sustainability Plans (replacements) and, on-going basis, Alectra continues to | |
| 10. develop new models and update the parameters. In FY2019 new standards | |
| 11. uncertainties would be derived from: Smart Grid distributed generation (DG) | |
| 12. capacity analysis; - Powerhouse dependable capacity investigations; System | |
| 13. model of a four-circuit pole arrangements; Concrete and wood pole life cycle | |
| 14. evaluations; Corrosion mitigation techniques and methodologies analysis for | |
| 15. Transformer stations; Cable demographics and reliability analysis; AEx | |
| 16. Failure Database ; Condu disc grounding techniques; Mechanical equipment | |
| 17. failure analysis; and Station asset assessment modelling - ongoing attempts | |
| 18. to refine ACA models. In each case, uncertainties with respect to long-term | |
| 19. duration and reliability of systems and assets would be encountered. Further | |
| 20. FY2019 research would be required for uncertainties involving: Padmounted SD | |
| 21. Switchgear using the GE F35 relays and introduction of first stage of self | |
| 22. healing grid network in Alectra Brampton using the G&W viper reclosers - | |
| 23. uncertainties would include remote communication capabilities using the GE | |
| 24. F35 relays with the legacy 900MHz communication Bandwidth, limited protection | |
| 25. and control capabilities, and associated elevated standards requirements; and | |
| 26. 3000A 600V services for legacy Horizon network constrained by an increase in | |
| 27. short circuit levels at the demarcation points and limited system capacity. | |
| 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. Work performed in FY2019: | |
| 2. - Four-Circuit Pole Model: Development of a computer model to be used as | |
| 3. analysis tool concept for short-term and long-term four-circuit pole | |
| 4. remediation plan continued to be refined based on new information and | |
| 5. assumptions. Detailed calculations and studies were performed for number of | |
| 6. circuits and the requirement of pole height. For new Alectra Standards, 70ft | |
| 7. of pole height was modeled for a 4 circuit pole line based on the pole | |

| | |
|------------|--|
| 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) |
| 8. | loading analysis, attachment points of phase conductors, neutral and third |
| 9. | party requirements and meeting the minimum CSA clearance. |
| 10. | - Concrete and wood Pole Life Cycle Cost Comparison: Developed the life cycle |
| 11. | comparison criteria to be used as an analysis tool to attempt to determine |
| 12. | the feasibility of using concrete pole versus wood pole, composite pole and |
| 13. | steel pole. Factors considered were probability of failure due to condition, |
| 14. | pole fire, vehicle collision, planned and emergency replacement cost. |
| 15. | Grounding studies were initiated. Long term evaluation remained ongoing. |
| 16. | - Corrosion Mitigation in Transformer: Developed the life cycle comparison |
| 17. | criteria to be used as analysis tool to determine the viability of using |
| 18. | stainless steel transformer versus regular transformer. Factors considered |
| 19. | were probability of failure, planned and emergency replacement cost and |
| 20. | estimated life of regular transformer, enhanced primer application and |
| 21. | stainless steel transformer. Investigations have indicated that the |
| 22. | additional cost for stainless steel should not exceed 10% of the cost of the |
| 23. | transformer. If otherwise, mild steel and a paint technology may be |
| 24. | considered as it may pass the 5000 salt hrs spray test and also the scab |
| 25. | test. The activity remains ongoing. |
| 26. | - Cable Demographics and Reliability Projection Model: Developed a computer |
| 27. | model to attempt to create an analysis tool for short-term and long-term |
| 28. | cable remediation work plan. On-going modification to the model was |
| 29. | undertaken to attempt to improve overall fidelity and accuracy. The activity |
| 30. | remains ongoing. |
| 31. | - ConduDisc innovative grounding technology: ConduDisc is a non-metallic |
| 32. | electrode for grounding utilities' poles and pad-mounted equipment. In |
| 33. | Fy2018, the Alectra East standard was revised for installation of any ground |
| 34. | plates or disc at or below the frost line. In FY2019, the ConduDiscs were |
| 35. | installed for some concrete poles in place of ground rods as part of the |
| 36. | pilot project to test the ground resistance values over the course of the |
| 37. | year in varying conditions. The data was collected and is now being analyzed |
| 38. | to determine if there is any significant improvement with regards to the |
| 39. | safety values as per CSA standards. |
| 40. | - Cold Spray Technology examination and ongoing data analysis - we are |
| 41. | awaiting the report on the pilot conducted in Mississauga and require more |
| 42. | information before any final decisions are made (this will be done in |
| 43. | conjunction with Asset Management). The technology will remain under |
| 44. | investigation extending into 2020. |
| 45. | - Switchgear Failure studies were completed and new standards revised |
| 46. | accordingly in conjunction with the Standards Consolidation Project. In |
| 47. | FY2019, two Solid Di-Electric Switchgears failed in Alectra Central South. |
| 48. | Research into the failure mode was conducted and would continue into 2020. |
| 49. | Temporary actions were taken to ensure the safety of the line crew. |
| 50. | - Bend radius examination (including Infrared Imaging - scans performed on |
| 51. | all replacements and elbows - ongoing implementation remains outstanding. |
| 52. | - Excessive noise studies were completed and a vibration reduction standard |
| 53. | devised; Re-evaluation of transformer loss costs remained ongoing. |
| 54. | - Underground cable clamp investigations and ABB mini-pad transformer |
| 55. | refurbishment methods. The refurbishment exercise for all major equipment |
| 56. | remains ongoing, we are currently developing the process for Alectra and the |
| 57. | details requirements of refurbishment will be established accordingly. |
| 58. | - Eaton switchgear investigations, prototyping and investigations were |
| 59. | conducted and feedback given. Revisions to the design are We determined that |
| 60. | the gear was not designed for a heavy duty utility application and extensive |
| 61. | modifications would be required - this activity subsequently ended. |
| 62. | - Wall mounted switchgear investigations - successful pilots have been |
| 63. | completed in Alectra Central South using two different configurations. Our |
| 64. | ongoing research led to an in-depth understanding of the equipment and |
| 65. | results are now being used to finalize a standard. This activity is now |

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)

66. considered complete.

67. - Pole loading studies - This study was completed recommendations considered

68. in the development of Alectra's wood and concrete poles specifications. At

69. present Asset Management is developing the policy related to the use of wood

70. and concrete poles for Alectra. The policy remains controversial and tests

71. continue to be performed. Generally, we use concrete poles for 3ph main road

72. applications and wood for 1ph side roads but are testing mixed applications -

73. the research remains ongoing as durability uncertainties persist and

74. installation methodologies are evolving.

75. - Research into padmounted SD switchgear using GEF35's as part of a first

76. stage in exploring a self-healing grid capability in Alectra's Brampton area

77. was undertaken using the G&W vipe reclosers - we were uncertain of relay

78. communications and system bandwidth, limited protection and control

79. capabilities, and associated elevated standards requirements; and 3000A 600V

80. services for the legacy Horizon network constrained by an increase in short

81. circuit levels at the demarcation points and limited system capacity.

82. NBM Engineering - performed pole loading and impedance studies. Other

83. external contractors (see complete list in Section C, line 268) were also

84. directly engaged in the experimental development activities and/or related

85. support activities

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. 246

2. Through a combination of research, experimental development, Alectra

3. successfully improved existing standards and developed new standards for a

4. wide range of technology issues (as outlined above). Alectra also has also

5. increased its existing understanding of the causes of failures with items in

6. service, so that its specifications can be used with assurance to acquire new

7. items of these types whose failure rate in service approaches zero, its SMS

8. can be improved/made more robust, so that the probability of the future

9. occurrence of similar failures is minimized to the extent practical, and

10. alternative technical solution options for systemic failure issues can be

11. developed. Examples of specific knowledge gained through standards

12. development in FY2019 would include: Smart Grid distributed generation (DG)

13. capacity strategies; Powerhouse dependable capacity limitations and

14. approaches; System modelling of a four-circuit pole arrangements; Concrete

15. pole life cycle sensitivities to various environmental factors; Corrosion

16. mitigation techniques and methodologies analysis for Transformer stations;

17. Cable demographics and reliability knowledge; AEx Failure modes and grid

18. effects; Condu disc grounding techniques; Padmounted SD Switchgear using the

19. GE F35 relays and introduction of first stage of self-healing grid network

20. in Alectra Brampton with G&W viper reclosers; and station asset assessment

21. models and other switchgear and capacity standards related initiatives.

22. Development, investigations and trials of system asset technologies and

23. standards within the distribution grid will continue into the next fiscal

24. period.

Section C – Additional project information

Who prepared the responses for Section B?

| | | | | |
|------------|---|------------|--------------|-----------------|
| 253 | 1 <input checked="" type="checkbox"/> Employee directly involved in the project | 254 | Name | |
| 255 | 1 <input type="checkbox"/> Other employee of the company | 256 | Name | |
| 257 | 1 <input checked="" type="checkbox"/> External consultant | 258 | Name | 259 Firm |
| | | | Deloitte LLP | Deloitte LLP |

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

| 260 | Names | 261 | Qualifications/experience and position title |
|------------|-------|------------|--|
| 1 | | | Lead/Manager, Standards |
| 2 | | | Supervisor, Standards |
| 3 | | | Manager, Standards |

265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 Yes 2 No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 Yes 2 No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 Yes 2 No

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

| 268 | Names of individuals or companies | 269 | BN |
|------------|-----------------------------------|------------|----|
| 1 | STANTEC CONSULTING LTD | | |

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 | 1 <input checked="" type="checkbox"/> Project planning documents | 276 | 1 <input checked="" type="checkbox"/> Progress reports, minutes of project meetings |
| 271 | 1 <input checked="" type="checkbox"/> Records of resources allocated to the project, time sheets | 277 | 1 <input type="checkbox"/> Test protocols, test data, analysis of test results, conclusions |
| 272 | 1 <input type="checkbox"/> Design of experiments | 278 | 1 <input type="checkbox"/> Photographs and videos |
| 273 | 1 <input checked="" type="checkbox"/> Project records, laboratory notebooks | 279 | 1 <input type="checkbox"/> Samples, prototypes, scrap or other artefacts |
| 274 | 1 <input type="checkbox"/> Design, system architecture and source code | 280 | 1 <input checked="" type="checkbox"/> Contracts |
| 275 | 1 <input type="checkbox"/> Records of trial runs | 281 | 1 <input checked="" type="checkbox"/> Others, specify 282 E-mails |

Part 2 – Project information (continued)

Project number 2

CRA internal form identifier 060

Code 1501

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

Section A – Project identification

| | | | |
|--|---|---|---------------------------------------|
| 200 Project title (and identification code if applicable) | | | |
| P2: Distribution Design Concepts - ICI, Stations, Transporta | | | |
| 202 Project start date | 204 Completion or expected completion date | 206 Field of science or technology code (See guide for list of codes) | |
| 2010-01 <small>Year Month</small> | 2022-12 <small>Year Month</small> | 2.02.01 | Electrical and electronic engineering |
| Project claim history | | | |
| 208 1 <input checked="" type="checkbox"/> Continuation of a previously claimed project | | 210 1 <input type="checkbox"/> First claim for the project | |
| 218 Was any of the work done jointly or in collaboration with other businesses? 1 <input type="checkbox"/> Yes 2 <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 | | | |

Section B – Project descriptions

| |
|---|
| 242 What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines) |
| 1. 242 |
| 2. The obstacles Alectra (Powerstream, Enersource, Brampton and Horizon) had to |
| 3. resolve were: Determining the adequacy of its fault levels at its ICI, |
| 4. Transformer Stations and Transportation Grids; The impacts of DER |
| 5. (Distributed Energy Resources) on protection planning and limit settings; |
| 6. Implementing in-service monitoring & control of connection for the larger DER |
| 7. systems; and Deciding applications of AFR (Automatic Feeder Restoration) |
| 8. could be developed using a high speed simulators and extending its use for |
| 9. P&C settings and configuration investigations. Facilitating the connection of |
| 10. DER systems to its network is a mandated responsibility for Alectra; in the |
| 11. process of doing so, it must ensure its network is capable of handling these |
| 12. supply sources in a safe and stable manner without also exposing the DER |
| 13. equipment to any risk of damage caused by faults and other incidents on its |
| 14. network. The reverse also applies, i.e. protecting the network from any |
| 15. incidents arising at DER units. Ongoing uncertainties would be derived from: |
| 16. attempting to model new DER networks with advanced power distribution |
| 17. requirements (battery storage, demand response, closed transition, fuel cell |
| 18. power generation); revised AFR systems applications; fault contributions from |
| 19. capacity challenges; protection setting methodologies; and disaster |
| 20. reconstruction techniques. |
| 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. 244 |
| 2. Applications for DER unit connections continued to be processed and further |
| 3. development was involved in incorporating the processing of micro & non micro |
| 4. data from connected DER units within Alectra's established systems for |
| 5. recording meter reads, data manipulation, and billing or payment as required. |
| 6. A new WIMAX tower was installed at Melbourne MS (MS322) and ongoing WiMax |
| 7. system receiver and SoNET ring testing was performed. Monitoring and analysis |
| 8. remained ongoing however the activity will be considered complete in FY2019 |
| 9. with residual work on the Bradford MS323 expansion only (new Wimax link). New |
| 10. Three Sector WiiMAX Communications Node installation at VTS3 & VTS4 started |
| 11. in 2019 and will be completed in 2020. |
| 12. Alectra continues to explore AFR applications that could be developed using a |
| 13. high speed simulator and extending its use for P&C settings and configuration |
| 14. investigations. A simulator was assembled and tests remain ongoing. In |

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)

15. testing new relays it was noted that the existing AFR configuration lacked
16. responsiveness - new techniques would be explored and development continues.
17. Microgrid power transformer station development was initiated for a 500kWh
18. pilot concept in the Penetanguishine area. Concepts and systems were explored
19. and further activity remaining ongoing. Testing would involve a multistep
20. process with new testing methodologies devised and modified. Powerhouse
21. investigations were also undertaken to support DER and micro-grid development
22. activity.
23. Other new initiatives in FY2019 would include: Embedded generation
24. methodologies with microgrid battery storage, caisson pole foundation designs
25. for use in unstable, and alternative grounding plate concepts. Future
26. investigations of GO electrification and Hurontario & Hamilton LRT (DG-
27. Transportation) were also initiated. Go Train - Metrolinks: conceptualization
28. - designs to bury overhead lines and electrification concepts for both above
29. and below ground configurations were conceived along with specialized
30. construction methods (jack and bore ducts) as well as an analysis for soil
31. conditions, geo-tech, etc... . Peak loading issues were also studied.
32. Hamilton - LRT: Congestion with existing underground infrastructure would
33. complicate development - difficulty with finding the necessary space to
34. accommodate electrification [the Hamilton LRT was subsequently defunded and
35. research work discontinued]. Hurontario - LRT: Design issues in the downtown
36. core area had made it difficult to determine proper alignment with the
37. boulevards with uncertainties derived from accommodating trees and bike lanes
38. as well as electric network.
39. Furthermore a Pilot Project (Hyperion) to test a fibre-based cable
40. temperature monitoring concept was initiated with Phase 1 in FY2018. Phase II
41. was performed in FY2019 to connect the concept to a data acquisition system
42. and commence testing. This would extend with monitoring of fiber sensor in
43. the switchgear for arc flash concerns at MS14 Brampton. Brampton Goreway
44. pole line concepts while ensuring energization was examine as was the Credit
45. River crossing (utilizing large steel structures for transmission lines
46. (utilizing a 3M composite fiberglass core concept - span and slack) high
47. tension application.
48. External contractors (see complete list in Section C, line 268) were also
49. directly engaged in the experimental development activities and/or related
50. support activities
51.

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. 246
2. Alectra sought to advance its knowledge, know-how, capabilities, and
3. understanding: Whether or not appropriate fault levels were set at its ICI,
4. Transformer, Transportation DGs, connection impact assessments (CIAs)), how
5. connected DG systems, 100kW upwards, can be remotely monitored, how DG
6. connection impacts protection planning coordination, and should DG
7. penetration be limited to extend its applications of automatic restoration of
8. feeder.
9. Alectra had developed its CIA methodology for the OPA's FIT Program
10. applications to ensure network accommodation of their implementation with the
11. appropriate protection, metering and control arrangements. However, its
12. understanding of the impact of embedded generation on its network was still
13. incomplete. WiMax, remote monitoring, high speed automatic feeder
14. restoration, re-closers, micro-grid systems, AFR applications, GIS and other
15. techniques and methodologies were explored in order to advance the
16. understanding of reliability and repeatability of power transformer, ICI and
17. transportation network and distributed generation connection facilitation.

Section C – Additional project information

Who prepared the responses for Section B?

| | | | |
|------------|---|-----------------|-----------------|
| 253 | 1 <input checked="" type="checkbox"/> Employee directly involved in the project | 254 Name | [REDACTED] |
| 255 | 1 <input type="checkbox"/> Other employee of the company | 256 Name | |
| 257 | 1 <input checked="" type="checkbox"/> External consultant | 258 Name | 259 Firm |
| | | Deloitte LLP | Deloitte 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] | | P.Eng., 28 years' experience, Mgr., Stations Design & Standards |
| 2 | [REDACTED] | | C.E.T., MMP, Manager, Distribution Design - Transit Projects |
| 3 | [REDACTED] | | P.Eng., PMP, LEED AP, Manager, Distribution Design - ICI & Layouts |

- 265** Are you claiming any salary or wages for SR&ED performed outside Canada? 1 Yes 2 No
- 266** Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 Yes 2 No
- 267** Are you claiming expenditures for SR&ED performed by people other than your employees? 1 Yes 2 No

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

| 268 | Names of individuals or companies | 269 | BN |
|------------|-----------------------------------|------------|------------|
| 1 | CIMA Canada Inc. | | [REDACTED] |
| 2 | SILVERBLAZE SOLUTIONS INC. | | [REDACTED] |
| 3 | STANTEC CONSULTING LTD | | [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 1 <input checked="" type="checkbox"/> Project planning documents | 276 1 <input checked="" type="checkbox"/> Progress reports, minutes of project meetings |
| 271 1 <input type="checkbox"/> Records of resources allocated to the project, time sheets | 277 1 <input type="checkbox"/> Test protocols, test data, analysis of test results, conclusions |
| 272 1 <input type="checkbox"/> Design of experiments | 278 1 <input type="checkbox"/> Photographs and videos |
| 273 1 <input type="checkbox"/> Project records, laboratory notebooks | 279 1 <input type="checkbox"/> Samples, prototypes, scrap or other artefacts |
| 274 1 <input type="checkbox"/> Design, system architecture and source code | 280 1 <input type="checkbox"/> Contracts |
| 275 1 <input type="checkbox"/> Records of trial runs | 281 1 <input checked="" type="checkbox"/> Others, specify 282 E-mails |

Part 2 – Project information (continued)

Project number 3

CRA internal form identifier 060

Code 1501

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

| | | | |
|--|---|---|---------------------------------------|
| Section A – Project identification | | | |
| 200 Project title (and identification code if applicable) | | | |
| P3:Electric power distribution systems - Technical strategy | | | |
| 202 Project start date | 204 Completion or expected completion date | 206 Field of science or technology code (See guide for list of codes) | |
| 2010-05 Year Month | 2022-06 Year Month | 2.02.01 | Electrical and electronic engineering |
| Project claim history | | | |
| 208 1 <input checked="" type="checkbox"/> Continuation of a previously claimed project | | 210 1 <input type="checkbox"/> First claim for the project | |
| 218 Was any of the work done jointly or in collaboration with other businesses? 1 <input type="checkbox"/> Yes 2 <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 | | | |

| | |
|--|---|
| Section B – Project descriptions | |
| 242 What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines) | |
| 1. | 242 |
| 2. | Alectra Utilities faced obstacles of: How it could make further improvements |
| 3. | to the short term and long term system load forecasting and prepare the grid |
| 4. | for the future to accommodate increased penetration of Distributed Energy |
| 5. | Resources (DER), electrification of the transportation sector (EVS'). Alectra |
| 6. | Utilities' distribution system needs to evolve so that it is prepared for a |
| 7. | future for which it was not initially designed. The traditional distribution |
| 8. | system design is based on large generating stations which are located away |
| 9. | from the power consumption areas, one way flows of electricity and |
| 10. | information, and which offer limited choices to customers in the way |
| 11. | electricity is produced, distributed and transacted. The following are the |
| 12. | drivers which require the electrical grid to evolve: Changing Electricity |
| 13. | Supply Mix (e.g. penetration of DERs); Advancement in Information and Control |
| 14. | Technologies; Electrification of Transportation Infrastructure; Providing New |
| 15. | Market Opportunities for Customers; and Threats to Resilience and |
| 16. | Reliability. The key focus is how to optimize the planning, management and |
| 17. | integration of assets and related processes which enables efficiency and |
| 18. | customer choice and the subsequently two areas have been identified namely |
| 19. | the "Grid Technologies" and "Grid Edge Interface" were explored. In |
| 20. | addition to the above additional studies on modelling and configuration its |
| 21. | networks was studied to improve their performance; The actions that were |
| 22. | necessary to extend the capabilities of its planning software tools like GIS |
| 23. | and engineering design tools such as CYME; Investigating whether or not high |
| 24. | KVA grids have sufficient feeder ties between adjacent MS to accommodate |
| 25. | contingent conditions, i.e. the loss of any one of the multiple stations; and |
| 26. | the design of a DA configuration for remote grid areas. Alectra models its |
| 27. | network/run simulations of potential changes to it, e.g. to accommodate new |
| 28. | loads, and investigate what changes will improve performance. While previous |
| 29. | activities attempted to ensure that its TS feeders would operate in a balance |
| 30. | fashion within acceptable guidelines, and new connections could be |
| 31. | accommodated, there was no guarantee that the same would be the case going |
| 32. | forward. Circumstances change, load growth occurs, more DG units go into |
| 33. | service, and new infrastructure additions happen. As a consequence, new |
| 34. | modeling / simulation studies must be undertaken using the latest available |
| 35. | current configuration data, and the expected peak loads and increases in |
| 36. | available DG. The penetration of DER (Distributed Energy Resources) has |
| 37. | increased due to technological advancements and improved economics; in near |

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

38. future are expected to become important way for supplying associated demands
39. of electricity. Customers preferences are towards utilizing Distributed
40. Energy resources to meet their electricity demand. Alectra needs to
41. understand and analyze if DER's can be used to eliminate and or/defer the
42. traditional wires option such as building Transformer stations and
43. traditional distribution/transmission lines.

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. Station Deferral Studies: Alectra investigated the current state of grid
2. technologies and Grid edge interface devices, studied and identified key
3. technologies/processes, examined leading utilities and identified appropriate
4. end states and established roadmaps/timelines to reach end states, and
5. determine required investments.
6. Alectra Engineers worked with Navigant to forecast EV's, DER based on
7. technology type and other grid interface technologies and created models and
8. performed studies to see what would be the impact of increased penetration of
9. these devices on the grid and prepare the grid for the increased penetration.
10. Studies were performed to determine the maximum level of DER that an average
11. feeder can accommodate safely without exceeding the reverse power flow limits
12. of the feeder. Several models were created for the EV's which considered the
13. type of charging infrastructure that will be installed (level 1, level 2,
14. level 3 chargers) as well as fleet charging and their impact at the local
15. transformer level, feeders and transformer stations.
16. In addition Alectra Utilities coordinated with the smart grid research team
17. at York University to develop the engineering tools (i.e., modeling,
18. simulation, design, and optimization) required for studying the impacts of
19. adopting full battery-based electric city and school buses on utility grids.
20. The developed tools will be utilized to: quantify the impacts of implementing
21. electric bus systems on local distribution networks and bulk electricity
22. systems, and identify and evaluate the barriers and technical best practices
23. for efficient electrification of transit bus fleets in Ontario.
24. Asset deferral Investigations included a variety of options including battery
25. storage, PV, generation, natural gas generation, and substation alternatives.
26. Options narrowed to upgrading existing equipment with retrofit fans or larger
27. transformer units. Numerous studies were performed to assess the risks load
28. transfer capacity, backup contingency capacity, and to reflect peak loading
29. data and current configuration. Alectra in conjunction with SGS (Smart Grid
30. Solution) investigated the deferral options that an Energy Storage (ESS)
31. pilot could provide to the system by deferring the build of a 170MW
32. transformer station in Markham or deferring the related feeder investment
33. from Buttonville TS. The modelled ESS takes the form of aggregated battery
34. storage, distributed evenly across the feeders at domestic level. This
35. activity continued into FY2019 with further analysis to see how distributed
36. energy resources can defer station investments.
37. Load balancing and System Reconfiguration: The Feeder Balancing and System
38. Reconfiguration Plan are based on approved Planning Standards and the
39. Planning Philosophy of Alectra. The goal of this annual plan is to review
40. system loading and recommend system reconfiguration to balance both
41. transformer and feeder loading to within established guidelines. Performed
42. CYME simulations to confirm transfer capability and identify possible
43. contingency switching operations. Proposed new feeder requirements to
44. accommodate contingency transfers if existing network configuration was
45. inadequate
46. In addition System Planning performed analysis to determine the impact of
47. government incentive program (GA) adjustment on Alectra system peak as well
48. as developed database to capture the asset utilization for its feeders and
49. stations. . Improvement in the load forecast methodologies were also pursued.

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)

50. External contractors (see complete list in Section C, line 268) were also

51. directly engaged in the experimental development activities and/or related

52. support activities

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. 246

2. Alectra sought to make incremental advances in and with: Increased

3. understanding of current loading imbalances on transformers and feeders and

4. the need for system reconfiguration and of the likely future technical

5. evolution of Alectra's distribution network, for example with respect to

6. increased embedded generation, Electrification of Transportation sector, CDM

7. programs, load growth and the implications for more transformation capacity,

8. and how simulation modeling with CYME tools facilitates effective solution

9. development; More comprehensive understanding of Alectra's network

10. performance in all respects, e.g. losses, reliability, etc., and the

11. effective measures that could be developed/implemented to result in

12. measurable improvements in performance; and the knowledge and knowhow to

13. create and implement further enhancements to S/W tools. Alectra also studied

14. the maximum DER the system can accommodate without exceeding technical

15. limitations as well as the various models on EV and DER penetration

16. identified when the system will be constrained and what measures could be

17. taken in the short, intermediate and long term to make sure that the

18. Distribution system is equipped to handle this increased penetration of the

19. DER. Alectra also analyzed penetration of the DER and studied their impact to

20. the Distribution System and whether these DER's could be aggregated to defer

21. the investment in the traditional solution such as building additional

22. stations and distribution/transmission lines.

Section C – Additional project information

Who prepared the responses for Section B?

| | | | |
|------------|---|-----------------|--------------|
| 253 | 1 <input checked="" type="checkbox"/> Employee directly involved in the project | 254 Name | [REDACTED] |
| 255 | 1 <input type="checkbox"/> Other employee of the company | 256 Name | |
| 257 | 1 <input checked="" type="checkbox"/> External consultant | 258 Name | Deloitte LLP |
| | | 259 Firm | Deloitte 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] | | P.Eng., 21 years' experience, Manager, System Planning |
| 2 | [REDACTED] | | P.Eng., 27 years' experience, Engineer, Planning |
| 3 | [REDACTED] | | P.Eng., 7 years' experience, Engineer, Planning |

265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 Yes 2 No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 Yes 2 No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 Yes 2 No

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

| 268 | Names of individuals or companies | 269 | BN |
|------------|-----------------------------------|------------|------------|
| 1 | CEATI INTERNATIONAL INC | | [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 | 1 | <input checked="" type="checkbox"/> | Project planning documents | 276 | 1 | <input checked="" type="checkbox"/> | Progress reports, minutes of project meetings | | |
| 271 | 1 | <input type="checkbox"/> | Records of resources allocated to the project, time sheets | 277 | 1 | <input type="checkbox"/> | Test protocols, test data, analysis of test results, conclusions | | |
| 272 | 1 | <input type="checkbox"/> | Design of experiments | 278 | 1 | <input type="checkbox"/> | Photographs and videos | | |
| 273 | 1 | <input type="checkbox"/> | Project records, laboratory notebooks | 279 | 1 | <input type="checkbox"/> | Samples, prototypes, scrap or other artefacts | | |
| 274 | 1 | <input type="checkbox"/> | Design, system architecture and source code | 280 | 1 | <input checked="" type="checkbox"/> | Contracts | | |
| 275 | 1 | <input type="checkbox"/> | Records of trial runs | 281 | 1 | <input checked="" type="checkbox"/> | Others, specify | 282 | E-mails |

Part 2 – Project information (continued)

Project number 4

CRA internal form identifier 060

Code 1501

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

| | | | |
|--|---|---|---------------------------------------|
| Section A – Project identification | | | |
| 200 Project title (and identification code if applicable) | | | |
| P4: Asset condition harmonizing methodologies and strategies | | | |
| 202 Project start date | 204 Completion or expected completion date | 206 Field of science or technology code (See guide for list of codes) | |
| 2017-02 <small>Year Month</small> | 2022-04 <small>Year Month</small> | 2.02.01 | Electrical and electronic engineering |
| Project claim history | | | |
| 208 1 <input checked="" type="checkbox"/> Continuation of a previously claimed project | | 210 1 <input type="checkbox"/> First claim for the project | |
| 218 Was any of the work done jointly or in collaboration with other businesses? 1 <input type="checkbox"/> Yes 2 <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 | | | |

| | |
|--|---|
| Section B – Project descriptions | |
| 242 What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines) | |
| 1. | 242 |
| 2. | Alectra, is constantly pursuing methods and means to understand and improve |
| 3. | the asset condition of its extensive network. The utility has grown through |
| 4. | consolidation of local entities and faces uncertainties from differing |
| 5. | strategies and techniques that had been deployed in legacy systems. Aligning |
| 6. | methodologies transcend merely examining best practices and must consider |
| 7. | asset fleet variability and requirements to meet new standards and |
| 8. | operational efficiency and reliability metrics. In attempts to meet |
| 9. | efficiency, regulatory and reliability, a systematic investigation was |
| 10. | initiated to develop new harmonized condition assessment practices and |
| 11. | improvement tools in FY2018 and extended into FY2019. Challenges and |
| 12. | considerations in developing the new techniques and methodologies included: |
| 13. | Physical deterioration: the asset has experienced deterioration of its |
| 14. | physical or mechanical features and structure such that it is no longer safe |
| 15. | to remain in service. It has become a liability. |
| 16. | Functional Failures: the asset is no longer able to perform the primary |
| 17. | function for which it was intended or to support components in the system in |
| 18. | which it is or will be operating. |
| 19. | End of Life Disposition: is defined as when the asset condition has reached a |
| 20. | point where it is no longer capable of performing its intended function |
| 21. | (functional failure) or where the asset is in a state that presents public |
| 22. | safety or environmental liability. Hence, the asset is no longer deemed |
| 23. | suitable for continued service. |
| 24. | Asset Obsolescence: inability to function in conjunction with current |
| 25. | technologies. Assets may also be considered as obsolete if no longer |
| 26. | supported by the manufacturer and/or parts are no longer available. |
| 27. | Further challenges and obstacles in FY2019 included: |
| 28. | Legacy asset condition assessment (ACA) models had been developed, however, |
| 29. | the models presented challenges in that they involved complex worksheets with |
| 30. | embedded formulae and interdependencies, making them difficult to review and |
| 31. | to verify accuracy. Productivity and effectiveness were also adversely |
| 32. | impacted due to their very large size and they did not allow for multiple |
| 33. | user access. A more effective platform for developing the harmonized models |
| 34. | was required. |
| 35. | An additional challenge was that data required for conducting ACA was stored |
| 36. | in a multitude of locations among the legacy LDCs and in varying formats. |
| 37. | There was a need to locate and to collect the required data and to compile it |

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

38. in a consistent format for each asset class. Also, condition scoring
39. methodologies for data compiled for distribution assets by legacy LDCs was
40. inconsistent and needed to be ""translated"" to a common input.

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. Early work began with the examination of techniques and methodologies of each
2. of the pre-existing legacy utilities - PowerStream, Enersource, Horizon and
3. Brampton. Differences and best practices were noted but it was recognized
4. that a modular / piece-meal approach would not be sufficient to meet future
5. efficiency and reliability targets set by the energy regulation governing
6. bodies. A new holistic and harmonized methodology was sought. This effort
7. continued until April FY2019.
8. With the commencement of the ACA analysis, it was recognized that required
9. data was located in multiple locations and in the format was inconsistent and
10. not always up to date. An exhaustive exercise was undertaken to collect,
11. update and compile required information in consistent formats. In 2018 and
12. part of 2019, ACA models were developed in SQL for each asset class. These
13. models run far more efficiently than the legacy Excel models and are more
14. readily modified if required. The activity subsequently ended.
15. Model Structure Development: The Asset Condition Assessment (""ACA"") models
16. consider inputs from service records, field inspections, and third party
17. testing. The objective of the models is to identify assets fitness for
18. continued service, recommend assets for replacement. The models leverages
19. data in a reproducible manner and processes for consistent data quality.
20. Models are structured to allow for agile development, restructuring and
21. repurposing to adapt for future needs from a prescriptive and predictive
22. analytics standpoint. The ACA Models compute a Health Index (""HI"") for each
23. asset. The ACA purpose is to leverage data obtained from the field through
24. field inspection surveys, measurable data and service record data (e.g.
25. install date) from GIS and other sources to assess the a particular asset's
26. condition.
27. Refinements were made to the harmonized ACA models. Later, in FY2019,
28. condition multipliers based on dominant inputs that significantly impact the
29. assets' health were applied to the computed health indices. Examples of
30. situations whereby a condition multiplier would be applied include where
31. there is a safety hazard, where the condition of a particular factor is such
32. that a failure may be imminent, or where the asset is obsolete in that it is
33. no longer supported by the manufactures and parts no longer readily
34. available, thus impacting serviceability.
35. Station Assets - methodologies for ACA models were developed for the power
36. transformers, power transformer under-load tap changers, circuit breakers,
37. station switchgear, high-voltage primary switches, station service
38. transformers, station capacitors, high-voltage primary metering units and
39. protection & control relays in earlier fiscal periods. In 2018, required data
40. inventory and demographics information was collected, updated and compiled in
41. consistent formats. This data was loaded into sets of condition surveys that
42. were developed and they were submitted to subject matter experts for
43. completion. Asset test results, such as oil DGA and oil quality, were
44. collected from the legacy LDCs and compiled in a consistent format. The
45. condition survey and test results were loaded into the models which were then
46. executed in FY2019. Results were analyzed and comparisons made with legacy
47. results and some refinements were subsequently made to the models.
48. Distribution Assets - previously, required data was collected from legacy GIS
49. systems. Since asset condition factors had not been recorded in a consistent
50. manner among the legacy LDCs, it was necessary to develop translation tables
51. so as to compile data in a consistent manner and in a common format. The
52. models were then executed. Results were analyzed and comparisons made with

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. legacy results and some refinements were subsequently made to the models.
54. Guelph Hydro assets were included in the ACA analysis in late 2018 and early
55. 2019.
56. ACA Model Verification - In Q3/Q4 of 2018, Kinectrics was employed to review
57. the ACA methodology and to provide their expert opinion and recommendation
58. for future development. ACA Roadmap - In Q4 of 2018, a five-year roadmap for
59. improvement of the ACA processes and enhancements to the ACA models was
60. drafted. The roadmap is a framework and guiding principals that were
61. followed in FY2019 to attempt to improve the ACA, analytics, and overall
62. Asset Management practices.
63. Overall, in FY2019 Alectra focussed on using the data to maintain the system
64. and development subsequently performed modifications to the process. In
65. FY2020 a new activity may ramp up that will involve developing a method to
66. implementation strategies using a data science approach (analytics, machine
67. learning, artificial intelligence, etc... to attempt to examine and react to
68. the trending conditions of Alectra assets. This in-house development effort
69. would involve utilizing Alteryx platform software to devise new concepts and
70. methodologies. New testing and sensing techniques may also be explored.

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. 246
2. Alectra sought to make advances in an approach to devise asset health index
3. assessment models for the purposes of developing new harmonized condition
4. assessment practices and improvement tools. Alectra was officially formed in
5. March of 2017 and involved the merging of four separate Local Distribution
6. Companies (LDC's), PowerStream (PS), Brampton Hydro (BH), Horizon Utilities
7. Company (HUC) and Enersource Hydro Mississauga (EHM), operating in south
8. central Ontario, into a single merged company. Shortly after Alectra was
9. formed a merger with Guelph Hydro was announced. Each of the former legacy
10. utilities had established processes based on best utility practices,
11. including processes geared at establishing distribution system asset
12. condition. A single set of LDC models required harmonization of practices
13. across many business functions, one of which is the harmonization of a
14. Distribution System Plan. The harmonization of the ACA is essential to the
15. Distribution System Plan in order to guide investment based on the needs and
16. drivers.
17. Alectra Utilities prepared a consolidated Distribution System Plan (DSP) in
18. Q2 2019 and development the required new harmonization methodologies and
19. asset health indexing to attempt to derive techniques for system renewal and
20. sustainment initiatives. The harmonization of asset condition assessments
21. and health indexing is also intended to result in utilizing a single set of
22. assessment models for each asset class in the new Alectra service territory.
23. The benefits of doing so is that assets in each class will be assessed based
24. on the same model, regardless of which region they are operating in. The
25. standardization of these assessments was intended to eliminate regional
26. inconsistencies. Considering that condition assessments were performed at
27. each of the former rate zones following similar processes but at uniquely
28. different maturity levels, has presented a challenge for the harmonization of
29. these practices.
30. We also gained further understanding of existing models used in each rate
31. zone, examining and clarifying differences, identifying similarities, and
32. leveraging and developing new methodologies and techniques for a new set of
33. revised harmonized condition assessment models. Efforts culminated in the
34. evolving Asset Condition Assessment Harmonization Report which document, in
35. detail, methodologies employed in legacy ACA models and propose methodologies
36. to be adopted in a set of harmonized ACA models to be applied Alectra wide.
37. In 2018 and 2019, the development continued alongside the implementation of

38. the models with data from the various data sources.
 39. Into FY2019, Alectra was successful in developing and executing processes for
 40. collection and storage of data required for conducting Alectra-wide asset
 41. condition assessments as well as developing and executing a set of harmonized
 42. ACA models that compute health indices for these assessments. Efforts
 43. culminated in the completion of the Alectra ACA Report which documents the
 44. results of the first harmonized Alectra-wide ACA. The results of the ACA have
 45. formed integral input in the preparation for the 2019 DSP. Also prepared was
 46. a draft roadmap for further advancing processes associated with Alectra's ACA.

Section C – Additional project information

Who prepared the responses for Section B?

| | | | | |
|------------|---|------------|--------------|-----------------|
| 253 | 1 <input checked="" type="checkbox"/> Employee directly involved in the project | 254 | Name | |
| 255 | 1 <input type="checkbox"/> Other employee of the company | 256 | Name | |
| 257 | 1 <input checked="" type="checkbox"/> External consultant | 258 | Name | 259 Firm |
| | | | Deloitte LLP | Deloitte LLP |

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

| 260 | Names | 261 | Qualifications/experience and position title |
|------------|-------|------------|---|
| 1 | | | P.Eng.- Asset Condition Assessment |
| 2 | | | P.Eng., 25+ years' experience, Manager - Asset Condition Assessment |
| 3 | | | P.Eng., 25+ years' experience, Asset Condition Assessment |

265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 Yes 2 No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 Yes 2 No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 Yes 2 No

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

| 268 | Names of individuals or companies | 269 | BN |
|------------|-----------------------------------|------------|----|
| 1 | | | |

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 | 1 <input checked="" type="checkbox"/> Project planning documents | 276 | 1 <input checked="" type="checkbox"/> Progress reports, minutes of project meetings |
| 271 | 1 <input type="checkbox"/> Records of resources allocated to the project, time sheets | 277 | 1 <input type="checkbox"/> Test protocols, test data, analysis of test results, conclusions |
| 272 | 1 <input type="checkbox"/> Design of experiments | 278 | 1 <input type="checkbox"/> Photographs and videos |
| 273 | 1 <input type="checkbox"/> Project records, laboratory notebooks | 279 | 1 <input type="checkbox"/> Samples, prototypes, scrap or other artefacts |
| 274 | 1 <input type="checkbox"/> Design, system architecture and source code | 280 | 1 <input type="checkbox"/> Contracts |
| 275 | 1 <input type="checkbox"/> Records of trial runs | 281 | 1 <input checked="" type="checkbox"/> Others, specify 282 E-mails |

Part 2 – Project information (continued)

Project number 5

CRA internal form identifier 060

Code 1501

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

| | | | |
|--|--|--|---------------|
| Section A – Project identification | | | |
| 200 Project title (and identification code if applicable) P5: Protection and Control OMS development and operations | | | |
| 202 Project start date 2011-01 Year Month | 204 Completion or expected completion date 2022-08 Year Month | 206 Field of science or technology code (See guide for list of codes) 2.02.01 Electrical and electronic engineering | |
| Project claim history | | | |
| 208 1 <input checked="" type="checkbox"/> Continuation of a previously claimed project | | 210 1 <input type="checkbox"/> First claim for the project | |
| 218 Was any of the work done jointly or in collaboration with other businesses? 1 <input type="checkbox"/> Yes 2 <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 | | | |

| | |
|--|---|
| Section B – Project descriptions | |
| 242 What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines) | |
| 1. | 242 |
| 2. | The following obstacles would derive from attempts to develop an effective |
| 3. | and efficient Outage Management System and operations telecom infrastructure: |
| 4. | The successful implementation of the OMS Responder upgrading, and the |
| 5. | Responder Mobile Application with an outage web interface to OMS; Improving |
| 6. | the IVR interface with the OMS and the outage notification process via |
| 7. | automatically generated e-mails; Further upgrading the Operations Heat S/W |
| 8. | tool used in conjunction with OMS; Verification through testing of the |
| 9. | performance of ICCP; Systematic effects on the existing architectural |
| 10. | electronic infrastructure from ice storm events (volume influx of outages in |
| 11. | compressed time-frame); and complications from degradation of service of the |
| 12. | outage web map. Additional uncertainties would be faced from: Telemetry of |
| 13. | Alectra's (Powerstream, Enersource, Horizon) connected Distributed Energy |
| 14. | Resources and associated SCADA and GIS systems; Logging activities associated |
| 15. | with or occurring on the distribution network; and disruption intelligence |
| 16. | systems and monitoring systems. |

| | |
|---|--|
| 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. | We continued to review each of the Alectra OMS platforms in use in 2019. We |
| 2. | examined legacy systems with a comprehensive review looking at system |
| 3. | features, scalability and capability to organically expand into an ADMS. The |
| 4. | investigation resulted in a SCADA concept core application which was |
| 5. | completed in 2018, and then the OMS and ADMS which continued to evolve in |
| 6. | FY2019. Research may later include coupling to blockchain transactions. This |
| 7. | work will be expanded with the IT and OMS group and simulations performed. The |
| 8. | beta-version was tested at the Cityview location and the Advanced Planning |
| 9. | group continued development with integration into the ERP and SCADA systems. |
| 10. | NWA (Non Wire Alternatives) concepts and OMS for distributed generation in |
| 11. | 'close to load' configurations studies began in FY2019 with development |
| 12. | extending into FY2020. |
| 13. | Testing continued on disruptive intelligence systems (Distribution Automation |
| 14. | - DA): Continued to refine the Fault Detection, Isolation & Restoration |
| 15. | (FDIR) scheme; Measuring "uptime" of DA schemes and building additional |
| 16. | controls and visibility of all schemes; And, expanding FDIR to additional |
| 17. | feeders. All Self-healing schemes are maturing into a production state with |
| 18. | monitoring for reliability and repeatability. DA and FDIR research will |

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)

19. continue as the SCADA system is subjected to ongoing testing. Deployed in
20. late FY2019 and extends into FY2020. Awaiting build with a target completion
21. by March 2020
22. Former Enersource commenced a multi-year project to upgrade the SCADA system
23. to GE PowerON Control SCADA System (GE SD4). The development activity
24. transitioned to an Enterprise SCADA system with refinements to attempt to
25. improve fidelity and reliability. Dashboards to illustrate performance was
26. pursued in FY2019 with integration to centralized system. In FY2020 multiple
27. upgrades will be pursued including a single line concept for the distribution
28. system [with Survelent sub-contracted assistance]. Control room validation
29. will subsequently occur [Keith Hemmingway - Manager Operation Technology
30. Services].
31. Outage Management System (OMS) development also included: Progression into
32. migrating into cloud computing and conducted stress testing; Added customer
33. notification email capabilities; and revised Estimated Time of Restoration
34. (ETR) forecasting. Cybersecurity factors were also investigated with mixes of
35. communications methodologies including licensed wireless, fibre optics and
36. hubs. Sniffing, central authentication and encryption techniques continued to
37. be explored. Line sensor networks cost-effectiveness strategies were devised
38. with a licensed wireless node serving as a wi-fi hub for a localized array.
39. New models will be explored, including notification tools - outage maps,
40. social media, etc. We will also examining the overall outage communications
41. strategy with Opus 1 - microgrid management and DERMS application into the
42. Scada system. Development was completed in late FY2019 with the advanced
43. planning group for a transition to Corp Com from Opus 1 - a new system will
44. be subsequently developed in 2020. OMS development also involved: OSI
45. software (Pi) application interface and data historian development -
46. presently using the system for maintenance data analytics and enabling real
47. time analysis and support to a predictive model using data analytics
48. capabilities and ODS (Operational Data Store) data mining with integration
49. into new systems; and Testing 'Enoserve / Powerbase / RTS' asset management
50. tools for enhanced grid protection assets. Intelliteam systems developed, IVR
51. and outage web mapping were built, tested, modified and finalized. A new
52. 'last mile' system using GE orbit system may be investigated and developed in
53. FY2020. Fault integrators as part of a new smart grid platform were tested
54. with two pilot studies performed - results will be examined in the next
55. fiscal period.
56. A variety of new techniques and methodologies were required for new capital
57. applications and testing and monitoring in-field equipment was undertaken,
58. for example: Smart meters to commercial (GS>50); Licensed Wi-max system
59. upgrades; Cascade CMMS; expanded WiMax systems; GIS Multiviewer capabilities
60. and GIS convergence; DC and HV bushing health monitoring systems. Cyber-
61. security capabilities and encryption techniques will be explored under a
62. 'Crossbow' remote access application pilot project with hardening, immunity
63. to interference, and auto-throttling capabilities. Furthermore, we engaged a
64. contractor to explore cyber security hardening as part of an initiative to
65. protect data from with system management and segregation of data flow with a
66. Switzer 336 platform.

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. 246
2. It is the knowledge, expertise and capability to design, develop and
3. implement OMS and related tools with a configuration, functionality and
4. features, whose use leads to improvements in network reliability performance
5. and reduces the size of service interruptions. Such tools would also
6. facilitate better management of outages and distribution network operations
7. from a central Control Room, provide system operators with a near real-time

8. view of the state of Alectra's network, and establish a platform for future
 9. operational and work force automation initiatives. This advance requires a
 10. comprehensive understanding of the essential interfaces to Alectra's CIS,
 11. GIS, SCADA, AMI and IVR. These interfaces had to be created, custom coded and
 12. tested to ensure seamless performance. Testing would remain ongoing and
 13. failures would result in additional development and incremental knowledge
 14. gained.

Section C – Additional project information

Who prepared the responses for Section B?

| | | | | |
|------------|---|------------|--------------|-----------------|
| 253 | 1 <input checked="" type="checkbox"/> Employee directly involved in the project | 254 | Name | |
| 255 | 1 <input type="checkbox"/> Other employee of the company | 256 | Name | |
| 257 | 1 <input checked="" type="checkbox"/> External consultant | 258 | Name | 259 Firm |
| | | | Deloitte LLP | Deloitte LLP |

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

| 260 | Names | 261 | Qualifications/experience and position title |
|------------|-------|------------|--|
| 1 | | | C.E.T., 35+years' experience, VP Operations |
| 2 | | | C.E.T., 30+ years' experience, Manager, System Control |
| 3 | | | Managers - Protection and Communications |

265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 Yes 2 No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 Yes 2 No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 Yes 2 No

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

| 268 | Names of individuals or companies | 269 | BN |
|------------|-----------------------------------|------------|----|
| 1 | | | |

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 | 1 <input checked="" type="checkbox"/> Project planning documents | 276 | 1 <input checked="" type="checkbox"/> Progress reports, minutes of project meetings |
| 271 | 1 <input type="checkbox"/> Records of resources allocated to the project, time sheets | 277 | 1 <input type="checkbox"/> Test protocols, test data, analysis of test results, conclusions |
| 272 | 1 <input type="checkbox"/> Design of experiments | 278 | 1 <input type="checkbox"/> Photographs and videos |
| 273 | 1 <input type="checkbox"/> Project records, laboratory notebooks | 279 | 1 <input type="checkbox"/> Samples, prototypes, scrap or other artefacts |
| 274 | 1 <input type="checkbox"/> Design, system architecture and source code | 280 | 1 <input type="checkbox"/> Contracts |
| 275 | 1 <input type="checkbox"/> Records of trial runs | 281 | 1 <input checked="" type="checkbox"/> Others, specify 282 E-mails |

Part 2 – Project information (continued)

Project number 6

CRA internal form identifier 060

Code 1501

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

| | | | |
|--|---|---|---------------------------------------|
| Section A – Project identification | | | |
| 200 Project title (and identification code if applicable) | | | |
| P6: Green Renewable Energy and Technology Centre Smart Grid | | | |
| 202 Project start date | 204 Completion or expected completion date | 206 Field of science or technology code (See guide for list of codes) | |
| 2018-11 <small>Year Month</small> | 2023-10 <small>Year Month</small> | 2.02.01 | Electrical and electronic engineering |
| Project claim history | | | |
| 208 1 <input type="checkbox"/> Continuation of a previously claimed project | | 210 1 <input checked="" type="checkbox"/> First claim for the project | |
| 218 Was any of the work done jointly or in collaboration with other businesses? 1 <input type="checkbox"/> Yes 2 <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 | | | |

| | |
|--|---|
| Section B – Project descriptions | |
| 242 What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines) | |
| 1. | 242 |
| 2. | Alectra Utilities has been a leader in Smart Grid initiatives and has |
| 3. | successfully demonstrated and piloted many high profile Smart Grid |
| 4. | initiatives in the areas of operations-distribution automation, EV |
| 5. | technology, Data Analytics, and Alternative Energy Sources (microgrids, |
| 6. | storage) and Home Technologies. Our energy landscape is undergoing a |
| 7. | fundamental change to an integrated, intelligent, energy delivery network. |
| 8. | This change is mainly driven by innovative technology advancements. New |
| 9. | energy technologies are fundamentally shifting the value chain from a one-way |
| 10. | to a bi-directional flow of electricity and information. In previous fiscal |
| 11. | periods we had pursued Smart Grid development endeavors as a collection |
| 12. | discrete activities. In FY2019 the Green Renewable Energy and Technology |
| 13. | Centre (GRE&T) was launched as the home for Alectra's research and innovation |
| 14. | with investigations into Smart Cities, Grid Innovation, and Advanced |
| 15. | Planning. Specific GR&ET uncertainties would be derived from exploring: |
| 16. | Alternative Energy Sources; Grid Exchange initiatives; Non-Wires Alternatives |
| 17. | (NWA); Smart Home Technologies; The Net Zero Energy Emissions/ Power House |
| 18. | Hybrid; Electric Vehicles / Alectra Drive @ Work concept; Transit |
| 19. | Electrification; and grid Data Analytics. For Alectra, the application of new |
| 20. | technology to produce a more efficient, resilient and reliable distribution |
| 21. | system, to enable renewable generation and to empower customers with more |
| 22. | control over their energy usage. Alectra will continue to be at the leading |
| 23. | edge of technological and business model innovation. Due to the ongoing |
| 24. | technological disruptions, it is challenging to integrate all the new |
| 25. | technologies (hardware, software, and firmware) associated with the |
| 26. | aforementioned initiatives within the existing legacy grid infrastructure. |
| 27. | Examples of unique uncertainties and challenges included: |
| 28. | - How small consumers (e.g., residential customers) can play a meaningful |
| 29. | role in managing distribution system challenges when their individual |
| 30. | contributions are small, but can be large when aggregated. |
| 31. | - Creating platforms for distributed energy flows to be measured, tracked and |
| 32. | settled to enable broader customer engagement in energy markets and become |
| 33. | prosumers |
| 34. | - Managing the costs of providing electricity services - both making the |
| 35. | system more efficient and less costly to operate, and creating mechanisms for |
| 36. | costs to be allocated more fairly among customers |
| 37. | - Integrating various types of Distributed Energy Resources to operate |

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

38. together through a central command structure

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. 244

2. The 'GRE&T Centre' (Green Renewable Energy and Technology Centre) was
3. launched as the home for Alectra's Advanced Planning Research and Innovation
4. and would build upon earlier Smart Grid research activities. FY2019 GR&ET and
5. Smart Grid research work performed included analysis, concept development,
6. testing and modification of: Alternative Energy Sources solutions; Grid
7. Exchange initiatives; Non-Wires Alternatives (NWA) concepts; Smart Home
8. Technologies; The Net Zero Energy Emissions/ Power House Hybrid systems;
9. Electric Vehicles / Alectra Drive @ Work concepts; Transit Electrification
10. development; and grid Data Analytics.

11. Alternative Energy Sources: The micro-grid demonstration project continued
12. with solar, wind turbine, gas generator, and alternate battery systems
13. including lithium ion, lead acid and sodium nickel chloride as well as
14. Vehicle to Home technology and EV Charging. New features include adding a
15. Distributed Energy Resource Management System (DERMS) system that deploys new
16. hardware and software control technology to allow for the evaluation of a
17. number of advanced use cases. A further innovation was launched that will
18. demonstrate the ability of a transactive energy technology to provide real-
19. time transparency, tracking, and management of distributed energy resource
20. participation to provide energy services. PowerHouse customers will
21. participate in an energy system powered by the Linux Foundation's hyperledger
22. fabric.

23. GridExchange: Proof of concept testing was completed with five Power.House
24. customers to evaluate the capabilities, value and limitations of a blockchain
25. technology. The GridExchange, the name of the second phase of the project,
26. was kicked off to implement three energy services including GHG reduction,
27. demand response and managed EV Charging, to be further tested using the
28. platform. GridExchange is an innovative software platform Alectra is
29. developing that will demonstrate the ability of a transactive energy
30. platform, powered by blockchain technology, to provide real-time
31. transparency, tracking, and management of distributed energy resource (DER)
32. participation in energy services.

33. Non Wires Alternatives: A new project to test the value of non-wires
34. alternatives (NWA) to serve customer needs was ramped up in 2019 after
35. receiving approval to proceed in late 2018, with funding from both IESO and
36. NRCAN. 'Non-wires alternatives (NWAs) are electric utility system investments
37. and operating practices that can defer or replace the need for specific
38. transmission and/or distribution projects, at lower total resource cost, by
39. reliably reducing transmission congestion or distribution system constraints
40. at times of maximum demand in specific grid areas. Research also began to
41. provide analysis of different DERMS capabilities associated with NWA concepts.

42. Smart Home Technologies: Alectra Utilities' Advantage Power Pricing time-
43. varying rate program entered its final year of operations. This project is
44. part of the Ontario Energy Board's Regulated Price Plan Roadmap Pilots
45. initiative, with funding provided through the IESO. Ultimately, despite
46. discussions with potential partners and research into technical development
47. opportunities, satisfactory agreements could not be reached but the research
48. initiative may be pursued in future fiscal periods.

49. Net Zero Energy Emissions/PowerHouse Hybrid initiative: The Net Zero Energy
50. Emissions/PowerHouse Hybrid initiative was developed to attempt to demonstrate
51. how the integrated control of low carbon equipment may provide for more grid
52. flexibility and maximize assets through an expanded virtual power plant
53. model. In 2019, work involved developing and testing the system to attempt to
54. maximize efficiencies of both thermal and electric energy such as:

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)

55. Developing a detailed sensor plan and draft M&V plan; Installation of solar,
56. batteries and EV chargers in 3 non-microCHP homes; Develop a communications
57. architecture and detailed scope of work for electronic integration and
58. control logic; Identifying net metering eligibility challenges in microCHP
59. homes in a load displacement mode; Development of communications materials,
60. including animated video, installation footage, presentation materials and
61. banner; Incorporating the PHH project as part of GRE&T Centre event. This
62. project would, in part, be pursued with contributions from Natural Resources
63. Canada.

64. Electric Vehicles: The Alectra Drive @ Work workplace EV charging grid
65. integration project continued. This activity aimed at demonstrating
66. intelligent use of behind-the-meter energy resources such as electric vehicle
67. charging stations, building automation systems, energy storage and solar
68. generation to be aggregated using a distributed energy resource management
69. (DERMS) platform to advance research toward the efficiency of operations,
70. managing peak demand and minimizing electricity costs to customers. Through
71. the AlectraDrive @Home project, Alectra Utilities seeks to develop and
72. implement an electric vehicle (EV) deployment model for residential customers
73. to identify the economic, technical, regulatory and customer outreach
74. considerations that will be relevant to deploy these solutions at scale in
75. the future to benefit the local and provincial electricity system. Research
76. on various electric vehicle strategies for different grid demographics was
77. also performed.

78. Transit Electrification: A York University pilot concept was modeled and
79. simulations performed to attempt to devise technological strategies for
80. electrification of scaled public transit bus systems. An initial concept was
81. subsequently devised and the activity was considered complete by the end of
82. FY2019. However, key factors that may require further study and development
83. include: Vehicle routing methods, battery design concepts, charging capacity
84. strategies, etc...

85. Data Analytics: Prior to recent work on the Data Analytics strategy, the
86. previous data sharing process was analyzed to identify the improvement areas
87. and as a result define the target state to create a more robust data sharing
88. strategy as part of the overall Data Analytics Strategy. It was found that
89. previous data sharing efforts had significant inefficiencies and gaps in
90. addressing external data requests. A cross-functional effort led by the GRE&T
91. Centre devised a concept for a new data sharing architecture.

92. External contractors (see complete list in Section C, line 268) were also
93. directly engaged in the experimental development activities and/or related
94. support activities.

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. 246

2. We sought to develop Smart Grid capabilities through the development of new
3. and incremental hardware / software / firmware technologies within our
4. existing legacy grid infrastructure. The Green Renewable Energy and
5. Technology Centre (GRE&T) was launched as Alectra's research and innovation
6. with investigations into Smart Cities, Grid Innovation, and Advanced Planning
7. with specific research into: Alternative Energy Sources; Grid Exchange
8. initiatives; Non-Wires Alternatives (NWA); Smart Home Technologies; The Net
9. Zero Energy Emissions/ Power House Hybrid; Electric Vehicles / Alectra Drive
10. at Home / at Work concepts; Transit Electrification; and grid Data Analytics.
11. The new technologies and methodologies must ultimately produce a more
12. efficient, resilient and reliable distribution system, enable renewable
13. generation and empower customers greater control over their energy usage.
14. Through GRE&T technological advancements, Alectra intends to remain at the
15. leading edge of Grid innovation and gain considerable knowledge in specific

16. research areas.

17. Thus far we gained knowledge & capabilities to deploy and implement a range

18. of smart grid concepts & technologies across Alectra's existing distribution

19. network to transition it to one that has a fully intelligent infrastructure

20. with: Compatible, durable & reliable equipment with built-in sensing and

21. intelligent electronic devices for monitoring, fault diagnosis, and self-

22. restoration capabilities; Fail-safe, robust, fast, high band-width, 2-way

23. advanced communications from customers to the grid control centre;

24. Centralized monitoring and control utilizing integrated data bases for

25. customer information, for asset records including their geographic locations,

26. the management of outages, grid operations, and for making physical changes

27. to the grid infrastructure; Informed and intelligent operators & customers

28. regarding electricity use and the assets for local generation, distribution &

29. storage, and initiatives to facilitate wise consumption for system-wide

30. benefits; and Unrestricted capability to accommodate, electric vehicles,

31. distributed generation (DG), and energy storage. Furthermore, Alectra

32. continued to make technological advancements in testing and analyzing the

33. capabilities of distributed energy resources such as the integrated

34. microgrids (e.g., POWER.HOUSE Hybrid), smart thermostats and electric

35. vehicle charging stations, as well as control platforms to control the

36. effective use of these DERs and integrate them into an intelligent grid;

37. developed IT and data management tools and processes like the GridExchange

38. transactive energy platform and data analytics capabilities.

Section C – Additional project information

Who prepared the responses for Section B?

| | | | |
|------------|---|-----------------|-----------------|
| 253 | 1 <input checked="" type="checkbox"/> Employee directly involved in the project | 254 Name | [REDACTED] |
| 255 | 1 <input type="checkbox"/> Other employee of the company | 256 Name | [REDACTED] |
| 257 | 1 <input checked="" type="checkbox"/> External consultant | 258 Name | 259 Firm |
| | | Deloitte LLP | Deloitte 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] | | Vice President, Corporate Development and Smart Grid Technologies, 22 years of experience |
| 2 | [REDACTED] | | 12+ years' experience, Smart Grid Technologies |
| 3 | | | |

| | | | |
|------------|--|---|--|
| 265 | Are you claiming any salary or wages for SR&ED performed outside Canada? | 1 <input type="checkbox"/> Yes | 2 <input checked="" type="checkbox"/> No |
| 266 | Are you claiming expenditures for SR&ED carried out on behalf of another party? | 1 <input type="checkbox"/> Yes | 2 <input checked="" type="checkbox"/> No |
| 267 | Are you claiming expenditures for SR&ED performed by people other than your employees? | 1 <input checked="" type="checkbox"/> Yes | 2 <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 | NAVIGANT CONSULTING LTD. | | [REDACTED] |
| 2 | UTIL-ASSIST INC. | | [REDACTED] |
| 3 | RBI | | [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 | 1 | <input checked="" type="checkbox"/> | Project planning documents | 276 | 1 | <input checked="" type="checkbox"/> | Progress reports, minutes of project meetings | | |
| 271 | 1 | <input type="checkbox"/> | Records of resources allocated to the project, time sheets | 277 | 1 | <input checked="" type="checkbox"/> | Test protocols, test data, analysis of test results, conclusions | | |
| 272 | 1 | <input type="checkbox"/> | Design of experiments | 278 | 1 | <input type="checkbox"/> | Photographs and videos | | |
| 273 | 1 | <input checked="" type="checkbox"/> | Project records, laboratory notebooks | 279 | 1 | <input type="checkbox"/> | Samples, prototypes, scrap or other artefacts | | |
| 274 | 1 | <input type="checkbox"/> | Design, system architecture and source code | 280 | 1 | <input checked="" type="checkbox"/> | Contracts | | |
| 275 | 1 | <input type="checkbox"/> | Records of trial runs | 281 | 1 | <input checked="" type="checkbox"/> | Others, specify | 282 | E-mails |

Part 2 – Project information (continued)

Project number 7

CRA internal form identifier 060

Code 1501

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

| | | | |
|--|---|---|---------------------------------------|
| Section A – Project identification | | | |
| 200 Project title (and identification code if applicable) | | | |
| P7: Sustainable generation systems design and development | | | |
| 202 Project start date | 204 Completion or expected completion date | 206 Field of science or technology code (See guide for list of codes) | |
| 2011-01 <small>Year Month</small> | 2020-12 <small>Year Month</small> | 2.02.01 | Electrical and electronic engineering |
| Project claim history | | | |
| 208 1 <input checked="" type="checkbox"/> Continuation of a previously claimed project | | 210 1 <input type="checkbox"/> First claim for the project | |
| 218 Was any of the work done jointly or in collaboration with other businesses? 1 <input type="checkbox"/> Yes 2 <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 | | | |

| | |
|--|--|
| Section B – Project descriptions | |
| 242 What scientific or technological uncertainties did you attempt to overcome? (Maximum 50 lines) | |
| 1. | 242 |
| 2. | Alectra (Powerstream, Enersource, Horizon) wanted to substantially increase |
| 3. | its knowledge & understanding of sustainable generation technologies, and the |
| 4. | applications in their distribution network. The focus was primarily with |
| 5. | Solar Photovoltaic (PV), and the variables that are critical for such systems |
| 6. | to be technically & commercially viable; however other sustainable/renewable |
| 7. | energy sources were constantly being evaluated and analyzed. Alectra wanted |
| 8. | this capability in order to develop a robust methodology that it could use to |
| 9. | investigate and qualify potential locations for either custom designed or pre- |
| 10. | engineered sustainable generation systems, which it could then implement. |
| 11. | To date, Alectra staff had undertaken many studies/investigations of multiple |
| 12. | sites with potential; especially those of a Solar PV nature. For potential |
| 13. | roof top mounted systems, had performed a large number of structural |
| 14. | reviews/analyses and preliminary designs prepared. It had also developed its |
| 15. | first scale Solar PV system of 210kW AC for trial purposes and also to export |
| 16. | power under a FIT contract. This completed system went into service for |
| 17. | trials and exporting power. With this system, and any new renewable system |
| 18. | in development, trials are required to investigate the impact of mounting |
| 19. | systems/panel temperature, panel tilt angle on electricity production, and |
| 20. | how to maximize AC kWh produced through performance testing. |
| 21. | Some of the uncertainties and obstacles that Alectra had to overcome with |
| 22. | respect to these technologies include: |
| 23. | - Determining how string level monitoring with an in-situ thermal data |
| 24. | monitor can be used to quantify how operating temperatures affect current and |
| 25. | power generation. |
| 26. | - Establishing whether module mismatch and shading and how to improve power |
| 27. | generation while providing module level remote monitoring and PV safe |
| 28. | features can be achieved. In addition, how to improve PV performance in a |
| 29. | wide range of environmental conditions. |
| 30. | - Qualifying new locations for the detailed design, engineering and |
| 31. | construction of renewable generation systems, particularly for PV Solar |
| 32. | systems. |
| 33. | - Understanding how to best integrate renewable-generated power into smart- |
| 34. | grid/micro-grids (including storage). |
| 35. | - Applied research is constantly required to understand and investigate new |
| 36. | methods of renewable generation (wind, solar, biogas, thermal, etc). |

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. 244
2. Key activities in Alectra Solar Operations & Maintenance [PV] development in
3. FY2019 included:
4. Snow Sensor Measurement and Monitoring, Snow Loss Modelling - The effects of
5. snow on solar generation has been impactful on solar generation and revenue
6. prompting modelling snow losses and accuracy of ground snow data used to
7. model solar generation. Since this actual roof snow data is not available the
8. need to create a relationship between actual roof snow accumulations compared
9. to available Environment Canada ground snow data was required to more
10. accurately model snow losses. To best collect actual roof snow data,
11. available snow measurement devices was researched to select a sensor that
12. best suited our installation and data logger already deployed in the field.
13. Data collection and analysis has continued on this initiative of the rooftop
14. mounted sonar snow sensor related to a solar PV rooftop installation and
15. collection of actual rooftop snow data. This information is continuing to be
16. collected, analyzed and used to better improve forecasting and modelling to
17. determine the kwh potential solar installation will generate annually and how
18. snow soiling effects overall generation. Mechanical and chemical methods of
19. removing snow are continuing to be tested to see what methods are most
20. effective.
21. Solar PV Modelling Performance - Continued previous activities in the area of
22. solar PV modelling performance and kwh forecasting, using new software and
23. modelling techniques
24. Solar POC - Continuing a recently added inspection activity 'Solar Point of
25. Connection' inspections and maintenance. With the maturing of the solar O&M
26. industry in Ontario new items of concern and interest arise. One new focus of
27. inspection and maintenance for solar grid tied installations is the solar
28. point of connection on the line side of the electrical service. In 2019
29. Alectra O&M continued to complete, improved on inspection procedures and
30. scope of tasks to inspect and complete maintenance on available solar point
31. of connections. Some of these tasks included thermal or IR scans,
32. inspections, photo identification, mechanical torqueing and coordination with
33. LDCs.
34. Analysis of the Impact of DC oversize and Portrait vs Landscape design -
35. Continued to collect performance data, analyze and compare performance
36. variables of 1.2 DC oversize operating sites to those with 1.75 DC oversize
37. operating sites. Updated and issued DC oversize report in 2019. Tested
38. financial modelling of adding additional DC watts to existing installations
39. to examine if existing sites can be expanded to increase overall revenue.
40. Bifacial Module Test Site - Continued to monitor and collect performance
41. generation data in 2019 to evaluate how bifacial solar modules perform in the
42. actual installed rooftop conditions. Pilot project included procuring,
43. designing and installing 2 strings of bifacial modules at an existing site,
44. including a reflective roof membrane and irradiance sensor then to monitor
45. and collect performance generation data to evaluate how bifacial solar
46. modules perform in the actual installed rooftop conditions. Commenced
47. evaluating how bifacial modules may shed snow better than single face
48. modules. Examined how compact string inverters (HIQ 3kw) performs in harsh
49. exposed conditions to evaluate how this type of inverter may be ideal for
50. remote locations.
51. Examination of new technology Solar Edge Inverters and Optimizers- Due to
52. ongoing operational issues and disappearing manufacturer support, The O&M
53. Department redesigned the 55 Patterson Rd. existing solar installation to
54. include the removal of one technologically outdated 100 kW AC Satcon Solstice
55. central inverter and 5 Satcon smart sub combiners and replaced these
56. components in 2018 with 3 - smart 33.3 kW AC Solar Edge string inverters and
57. dc power optimizers. The new smart Solar Edge string inverters and dc power
58. optimizers are outfitted with the newest in technology meeting the new arc

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)

59. fault and rapid shutdown ESA codes. The new location of the proposed string
 60. inverters will be in the same location of the removed sub combiners. The
 61. Satcon Solstice central inverter will be disconnected and remain in place for
 62. future spare parts to the existing and remaining Satcon Solstice central
 63. inverter. The removed Satcon smart sub combiners will be stored in good
 64. condition for use as spare parts for the remaining in use 5 Satcon smart sub
 65. combiners. This is a first of its type test installation with this technology
 66. within the Alectra solar project portfolio and this particular project is at
 67. the Alectra solar research facility installation at 55 Patterson Rd., Barrie
 68. Ontario. Findings will be used to support this technology being deployed for
 69. future projects. In 2019, continued to collect and analyze data the SolarEdge
 70. string inverters and optimizers performance versus central inverter
 71. performance. Performed financial analysis to evaluate the revenue payment
 72. versus capital investments for the SolarEdge string inverters and optimizers
 73. design. This may be a future option for replacement of aging inverters with
 74. similar designs to maintain performance of aging solar installations.
 75. External contractors (see complete list in Section C, line 268) were also
 76. directly engaged in the experimental development activities and/or related
 77. support activities.

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. 246
 2. We achieved several advancements in improving our PV Solar systems/designs
 3. for both engineering and for operations/maintenance. Improved knowledge of
 4. new sustainable generation system opportunities was also gained.
 5. From a methodology perspective, a number of specifications and practices were
 6. created for detailed engineering, construction and commissioning of PV Solar
 7. systems. Several models were developed to address environmental factors; and
 8. work would continue to further refine these models and test them in the next
 9. fiscal period. This project remains ongoing with knowledge gained from the
 10. various activities described in the above. Future advancements would be
 11. focused on other renewable energy sources and learning how to use them to
 12. maximize input to the ever-changing grid.

Section C – Additional project information

Who prepared the responses for Section B?

| | | | |
|------------|---|-----------------|--------------|
| 253 | 1 <input checked="" type="checkbox"/> Employee directly involved in the project | 254 Name | [REDACTED] |
| 255 | 1 <input type="checkbox"/> Other employee of the company | 256 Name | |
| 257 | 1 <input checked="" type="checkbox"/> External consultant | 258 Name | Deloitte LLP |
| | | 259 Firm | Deloitte 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] | | P.Eng., 20+ year's exp., O&M Manager - Renewable Generation |
| 2 | | | |
| 3 | | | |

265 Are you claiming any salary or wages for SR&ED performed outside Canada? 1 Yes 2 No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? 1 Yes 2 No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? 1 Yes 2 No

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

| 268 Names of individuals or companies | 269 BN |
|---------------------------------------|------------|
| 1 RBI | [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 1 <input checked="" type="checkbox"/> Project planning documents | 276 1 <input checked="" type="checkbox"/> Progress reports, minutes of project meetings |
| 271 1 <input type="checkbox"/> Records of resources allocated to the project, time sheets | 277 1 <input checked="" type="checkbox"/> Test protocols, test data, analysis of test results, conclusions |
| 272 1 <input type="checkbox"/> Design of experiments | 278 1 <input type="checkbox"/> Photographs and videos |
| 273 1 <input checked="" type="checkbox"/> Project records, laboratory notebooks | 279 1 <input type="checkbox"/> Samples, prototypes, scrap or other artefacts |
| 274 1 <input checked="" type="checkbox"/> Design, system architecture and source code | 280 1 <input checked="" type="checkbox"/> Contracts |
| 275 1 <input type="checkbox"/> Records of trial runs | 281 1 <input checked="" type="checkbox"/> Others, specify 282 E-mails |



T2 Corporation Income Tax Return

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 [REDACTED] | |
| Corporation's name 002 ALECTRA UTILITIES CORPORATION | |
| Address of head office Has this address changed since the last time we were notified? 010 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete lines 011 to 018. | |
| 011 55 JOHN STREET NORTH | |
| 012 | |
| 015 HAMILTON | 016 ON |
| Country (other than Canada) | Postal or ZIP code |
| 017 | 018 L8R 3M8 |
| Mailing address (if different from head office address) Has this address changed since the last time we were notified? 020 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete lines 021 to 028. | |
| 021 c/o | |
| 022 | |
| 023 | |
| 025 | 026 |
| Country (other than Canada) | Postal or ZIP code |
| 027 | 028 |
| Location of books and records (if different from head office address) Has this address changed since the last time we were notified? 030 Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes , complete lines 031 to 038. | |
| 031 55 JOHN STREET NORTH | |
| 032 | |
| 035 HAMILTON | 036 ON |
| Country (other than Canada) | Postal or ZIP code |
| 037 | 038 L8R 3M8 |
| 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 Year Month Day | |
| To which tax year does this return apply? Tax year start Year Month Day 060 2019-01-01 Tax year-end Year Month Day 061 2019-12-31 | |
| 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 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 checked="" type="checkbox"/> No <input 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"/> 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019) <input type="checkbox"/> 4 Exempt under other paragraphs of section 149 | |
| Do not use this area | |
| 095 | 096 |
| | 898 |

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

| | Yes | Schedule |
|---|-------------------------------------|----------|
| Is the corporation related to any other corporations? | <input checked="" type="checkbox"/> | 9 |
| Is the corporation an associated CCPC? | <input checked="" type="checkbox"/> | 23 |
| Is the corporation an associated CCPC that is claiming the expenditure limit? | <input type="checkbox"/> | 49 |
| Does the corporation have any non-resident shareholders who own voting shares? | <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 | <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? | <input type="checkbox"/> | 44 |
| Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? | <input type="checkbox"/> | 14 |
| Is the corporation claiming a deduction for payments to a type of employee benefit plan? | <input type="checkbox"/> | 15 |
| Is the corporation claiming a loss or deduction from a tax shelter? | <input type="checkbox"/> | T5004 |
| Is the corporation a member of a partnership for which a partnership account number has been assigned? | <input checked="" 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)? | <input type="checkbox"/> | 22 |
| Did the corporation own any shares in one or more foreign affiliates in the tax year? | <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? | <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? | <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? | <input checked="" type="checkbox"/> | 50 |
| Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year? | <input type="checkbox"/> | |
| Does the corporation earn income from one or more Internet web pages or websites? | <input type="checkbox"/> | 88 |
| Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes? | <input checked="" type="checkbox"/> | 1 |
| Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine? | <input checked="" type="checkbox"/> | 2 |
| Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? | <input checked="" type="checkbox"/> | 3 |
| Is the corporation claiming any type of losses? | <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? | <input checked="" type="checkbox"/> | 5 |
| Has the corporation realized any capital gains or incurred any capital losses during the tax year? | <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)? | <input checked="" type="checkbox"/> | 7 |
| Does the corporation have any property that is eligible for capital cost allowance? | <input checked="" type="checkbox"/> | 8 |
| Does the corporation have any resource-related deductions? | <input type="checkbox"/> | 12 |
| Is the corporation claiming deductible reserves? | <input checked="" type="checkbox"/> | 13 |
| Is the corporation claiming a patronage dividend deduction? | <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? | <input type="checkbox"/> | 17 |
| Is the corporation an investment corporation or a mutual fund corporation? | <input type="checkbox"/> | 18 |
| Is the corporation carrying on business in Canada as a non-resident corporation? | <input type="checkbox"/> | 20 |
| Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits? | <input type="checkbox"/> | 21 |
| Does the corporation have any Canadian manufacturing and processing profits? | <input type="checkbox"/> | 27 |
| Is the corporation claiming an investment tax credit? | <input checked="" type="checkbox"/> | 31 |
| Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures? | <input checked="" type="checkbox"/> | T661 |
| Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000? | <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? | <input checked="" type="checkbox"/> | |
| Is the corporation subject to gross Part VI tax on capital of financial institutions? | <input type="checkbox"/> | 38 |
| Is the corporation claiming a Part I tax credit? | <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? | <input checked="" type="checkbox"/> | 43 |
| Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? | <input checked="" type="checkbox"/> | 45 |
| Is the corporation subject to Part II – Tobacco Manufacturers' surtax? | <input type="checkbox"/> | 46 |
| 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? | <input type="checkbox"/> | 39 |
| Is the corporation claiming a Canadian film or video production tax credit? | <input type="checkbox"/> | T1131 |
| Is the corporation claiming a film or video production services tax credit? | <input type="checkbox"/> | T1177 |
| Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.) | <input type="checkbox"/> | 92 |

Attachments (continued)

| | Yes | Schedule |
|---|-------------------------------------|----------|
| Did the corporation have any foreign affiliates in the tax year? | <input type="checkbox"/> | T 1134 |
| Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000? | <input type="checkbox"/> | T 1135 |
| Did the corporation transfer or loan property to a non-resident trust? | <input type="checkbox"/> | T 1141 |
| Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? | <input type="checkbox"/> | T 1142 |
| Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? | <input type="checkbox"/> | T 1145 |
| Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? | <input type="checkbox"/> | T 1146 |
| Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED? | <input type="checkbox"/> | T 1174 |
| Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year? | <input checked="" type="checkbox"/> | 55 |
| Has the corporation made an election under subsection 89(11) not to be a CCPC? | <input type="checkbox"/> | T2002 |
| Has the corporation revoked any previous election made under subsection 89(11)? | <input type="checkbox"/> | T2002 |
| Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year? | <input checked="" type="checkbox"/> | 53 |
| Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year? | <input type="checkbox"/> | 54 |

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"/> |
| What is the corporation's main revenue-generating business activity? | | | | | |
| | | | 221122 | Electric Power Distribution | |
| Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents. | 284 | POWER DISTRIBUTION | 285 | 100.000 % | |
| | 286 | | 287 | % | |
| | 288 | | 289 | % | |
| Did the corporation immigrate to Canada during the tax year? | 291 | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| Did the corporation emigrate from Canada during the tax year? | 292 | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| Do you want to be considered as a quarterly instalment remitter if you are eligible? | 293 | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible | 294 | | Year Month Day | | |
| If the corporation's major business activity is construction, did you have any subcontractors during the tax year? | 295 | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

Taxable income

| | | | |
|--|-----|-------------------|-----|
| Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF | 300 | 13,438,758 | A |
| Deduct: | | | |
| Charitable donations from Schedule 2 | 311 | 380,576 | |
| 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 | 4,951,968 | |
| Non-capital losses of previous tax years from Schedule 4 | 331 | 5,516,210 | |
| 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 under an employee stock options agreement | | | |
| | | 10,848,754 | a |
| | | 10,848,754 | B |
| | | 2,590,004 | C |
| Section 110.5 additions or subparagraph 115(1)(a)(vii) additions | 355 | | D |
| Taxable income (amount C plus amount D) | 360 | 2,590,004 | |
| Income exempt under paragraph 149(1)(t) (for tax years starting before 2019) | 370 | | |
| Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) | | 2,590,004 | Z |
| Taxable income for the year from a personal services business | | | Z.1 |

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

Small business deduction

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

| | | | |
|--|-----|------------|---|
| Income eligible for the small business deduction from Schedule 7 | 400 | 10,936,758 | 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 | 2,590,004 | 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

Amount C $\frac{500,000}{11,250} \times$ **415** *** $\frac{10,436,692}{11,250}$ D = $463,852,978$ E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** **417** - 50,000 = 0 F

Amount C $\frac{500,000}{100,000} \times$ Amount F = 0 G

Subtotal (the greater of amount E and amount G) **422** $463,852,978$ H

Reduced business limit for tax years starting before 2019 (amount C **minus** amount E) (if negative, enter "0") **425** I

Reduced business limit for tax years starting after 2018 (amount C **minus** amount H) (if negative, enter "0") **426** J

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 on page 5) K

Reduced business limit after assignment for tax years starting before 2019 (amount I **minus** amount K) **427** L

Reduced business limit after assignment for tax years starting after 2018 (amount J **minus** amount K) **428** M

Small business deduction

Tax years starting before 2019

Amount A, B, C, or L, whichever is the least \times $\frac{\text{Number of days in the tax year before January 1, 2018}}{\text{Number of days in the tax year}}$ \times 17.5 % = 1

Amount A, B, C, or L, whichever is the least \times $\frac{\text{Number of days in the tax year after December 31, 2017, and before January 1, 2019}}{\text{Number of days in the tax year}}$ \times 18 % = 2

Amount A, B, C, or L, whichever is the least \times $\frac{\text{Number of days in the tax year after December 31, 2018}}{\text{Number of days in the tax year}}$ \times 19 % = 3

Tax years starting after 2018

Amount A, B, C, or M, whichever is the least \times 19 % = 4

Small business deduction (total of amounts 1 to 4) **430** N

Enter amount N at amount J 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) \times 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) \times 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 the first tax year starting after 2018, use the total of lines 744 of Schedule 7. Otherwise, use the total of lines 745 of the preceding tax year.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

| | | | | | | | | | | |
|---|------------|-----------|---|------------|---|--|--|------------|---------|---|
| Aggregate investment income from Schedule 7 | 440 | 2,502,000 | x | 30 2 / 3 % | = | | | 767,280 | A | |
| Foreign non-business income tax credit from line 632 on page 8 | | | | | | | | | B | |
| Foreign investment income from Schedule 7 | 445 | | x | 8 % | = | | | | C | |
| Subtotal (amount B minus amount C) (if negative, enter "0") | | | | | | | | | D | |
| Amount A minus amount D (if negative, enter "0") | | | | | | | | 767,280 | E | |
| Taxable income from line 360 on page 3 | | 2,590,004 | | | | | | | F | |
| Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least | | | | | | | | | | |
| Foreign non-business income tax credit from line 632 on page 8 | | | | | | | | | | |
| | | | x | 75 / 29 | = | | | | H | |
| Foreign business income tax credit from line 636 on page 8 | | | | | | | | | | |
| | | | x | 4 | = | | | | I | |
| Subtotal (add amounts G to I) | | | | | | | | | J | |
| Subtotal (amount F minus amount J) (if negative, enter "0") | | | | | | | | 2,590,004 | K | |
| | | | x | 30 2 / 3 % | = | | | 794,268 | L | |
| Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9) | | | | | | | | 486,180 | M | |
| Refundable portion of Part I tax – Amount E, L, or M, whichever is the least | | | | | | | | 450 | 486,180 | N |

Refundable dividend tax on hand (for tax years starting before 2019)

| | | | | | | | | | |
|---|------------|--|--|--|--|--|--|------------|---|
| Refundable dividend tax on hand at the end of the previous tax year | 460 | | | | | | | | |
| Dividend refund for the previous tax year | 465 | | | | | | | | |
| Subtotal (line 460 minus line 465) | | | | | | | | | O |
| Refundable portion of Part I tax from line 450 above | | | | | | | | 486,180 | P |
| Total Part IV tax payable from Schedule 3 | | | | | | | | | Q |
| Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary | | | | | | | | 480 | |
| Subtotal (amount P plus amount Q plus line 480) | | | | | | | | | R |
| Refundable dividend tax on hand at the end of the tax year – Amount O plus amount R | | | | | | | | 485 | |

Dividend refund (for tax years starting before 2019)

Private and subject corporations at the time taxable dividends were paid in the tax year

| | | | | | | | | | |
|--|--|--|---|------------|---|--|--|--|---|
| Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3 | | | x | 38 1 / 3 % | = | | | | S |
| Refundable dividend tax on hand at the end of the tax year from line 485 above | | | | | | | | | T |
| Dividend refund – Amount S or T, whichever is less | | | | | | | | | U |
| Enter amount U on line 784 on page 9. | | | | | | | | | |

Refundable dividend tax on hand (for tax years starting after 2018)

| | | | |
|---|-----|-------------|---|
| Refundable dividend tax on hand (RDTOH) at the end of the previous tax year | 460 | 23,655,684 | |
| Dividend refund for the previous tax year | 465 | 23,655,684 | |
| Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary | 480 | | |
| Subtotal (line 460 minus line 465 plus line 480) | | | A |
| General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53) | | 630,811,988 | B |
| Total eligible dividends paid in the previous tax year (from line 300 of schedule 53) | | | C |
| Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53) | | | D |
| Subtotal (amount C minus amount D) (if negative, enter "0") | | | E |
| Net GRIP at the end of the previous tax year (amount B minus amount E) (if negative, enter "0") | | 630,811,988 | F |
| GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53) | | 39,791,490 | G |
| Subtotal (amount F plus amount G) | | 670,603,478 | H |
| Amount H multiplied by 38 1 / 3 % | | 257,064,667 | I |
| Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 of the preceding tax year) | 520 | | J |
| Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A minus amount I, otherwise, use line 545 of the preceding tax year) (if negative, enter "0") | 535 | | K |
| Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3) | | | L |
| Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3) | | | M |
| Subtotal (amount L plus amount M) | | | N |
| Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary | 525 | | O |
| ERDTOH dividend refund for the previous tax year | 570 | | P |
| Refundable portion of Part I tax (from line 450 on page 6) | | 486,180 | Q |
| Part IV tax before deductions (amount 2A from Schedule 3) | | | R |
| Part IV tax allocated to ERDTOH (amount N) | | | S |
| Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43) | | | T |
| Subtotal (amount R minus total of amounts S and T) | | | U |
| Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary | 540 | | V |
| NERDTOH dividend refund for the previous tax year | 575 | | W |
| 38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3) | | | X |
| Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U minus amount X) (if negative enter "0") | | | Y |
| NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y minus amount W) (if negative, enter "0") | 545 | 486,180 | Z |
| Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N minus the amount, if any, by which amount X exceeds amount U) (if negative, enter "0") | | | |
| ERDTOH at the end of the tax year* (total of amounts J, O, and Z minus amount P) (if negative, enter "0") | 530 | | |

* For more information, consult the Help (F1).

Dividend refund (for tax years starting after 2018)

| | | | |
|--|--|------------|----|
| 38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3) | | | AA |
| ERDTOH balance at the end of the tax year (line 530) | | | BB |
| Eligible dividend refund (amount AA or BB, whichever is less) | | | CC |
| 38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3) | | 32,370,734 | DD |
| NERDTOH balance at the end of the tax year (line 545) | | 486,180 | EE |
| Non-eligible dividend refund (amount DD or EE, whichever is less) | | 486,180 | FF |
| Amount DD minus amount EE (if negative, enter "0") | | 31,884,554 | 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 | | 486,180 | JJ |
| Enter amount JJ on line 784 on page 9. | | | |

* For more information, consult the Help (F1).

Part I tax

| | | | |
|---|-----------|-------------|---|
| Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 % | 550 | 984,202 | A |
| Additional tax on personal services business income (section 123.5) | | | |
| Taxable income from a personal services business | 555 | x 5 % = 560 | B |
| Recapture of investment tax credit from Schedule 31 | 602 | | C |
| Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the tax year) | | | |
| Aggregate investment income from line 440 on page 6 | | 2,502,000 | D |
| Taxable income from line 360 on page 3 | 2,590,004 | E | |
| Deduct: | | | |
| Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least | | F | |
| Net amount (amount E minus amount F) | 2,590,004 | 2,590,004 | G |
| Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G | 604 | 266,880 | H |
| Subtotal (add amounts A, B, C, and H) | | 1,251,082 | I |
| Deduct: | | | |
| Small business deduction from line 430 on page 4 | | J | |
| Federal tax abatement | 608 | 259,000 | |
| Manufacturing and processing profits 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 | 11,441 | |
| 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 | 494,461 | |
| Subtotal | | 764,902 | K |
| Part I tax payable – Amount I minus amount K | | 486,180 | L |
| Enter amount L on line 700 on page 9. | | | |

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities such as administering tax and benefits, audit, compliance, and collection. Personal information may be shared for purposes of other federal acts that provide for the imposition and collection of a tax or duty. Personal information may also be shared with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 047 at canada.ca/cra-info-source.

Summary of tax and credits

Federal tax

| | | |
|--|-----|-----------|
| Part I tax payable from amount L on page 8 | 700 | 486,180 |
| Part II surtax payable from Schedule 46 | 708 | |
| 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 | 1,414,848 |
| Part XIII.1 tax payable from Schedule 92 | 727 | |
| Part XIV tax payable from Schedule 20 | 728 | |

Total federal tax **700** 1,901,028

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** 1,128,116

Total tax payable **770** 3,029,144 A

Deduct other credits:

| | | |
|---|-----|---------|
| Investment tax credit refund from Schedule 31 | 780 | |
| Dividend refund from amount U on page 6 or JJ on page 7 | 784 | 486,180 |
| Federal capital gains refund from Schedule 18 | 788 | |
| Federal qualifying environmental trust tax credit refund | 792 | |
| Canadian film or video production tax credit (Form T1131) | 796 | |
| Film or video production services tax credit (Form T1177) | 797 | |
| 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 | 4,856,941 |

Labour tax credit for qualifying journalism organizations

Total credits **890** 5,343,121 B

Balance (amount A minus amount B) **890** -2,313,977

Refund code **894** 1 Refund 2,313,977

If the result is negative, you have a **refund**.
If the result is positive, you have a **balance owing**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of \$2 or less.

Balance owing

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

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

Start Change information **910** Branch number

914 Institution number **918** Account number

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

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

Certification

I, **950** Basilio Last name **951** John G. First name **954** Chief Financial Officer Position, office, or rank

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

955 2020-06-24 Date (yyyy/mm/dd) **956** Telephone number

Is the contact person the same as the authorized signing information below **957** Yes No

958 Name of other authorized person **959** Telephone number

Language of correspondence – Langue de correspondance

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



Form identifier 101

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

| | | |
|-------------------------------|-----------------|--------------------------------|
| Corporation's name | Business number | Tax year end Year Month Day |
| ALECTRA UTILITIES CORPORATION | | 2019-12-31 |

Opening balance sheet information

| Account | Description | GIFI | Amount |
|---------------|---|---------------|----------------------|
| Assets | | | |
| | Total current assets | 1599 + | 686,590,961 |
| | Total tangible capital assets | 2008 + | 3,204,144,395 |
| | Total accumulated amortization of tangible capital assets | 2009 - | |
| | Total intangible capital assets | 2178 + | 898,896,916 |
| | Total accumulated amortization of intangible capital assets | 2179 - | |
| | Total long-term assets | 2589 + | 9,982,900 |
| | * Assets held in trust | 2590 + | |
| | Total assets (mandatory field) | 2599 = | 4,799,615,172 |

| | | | |
|--------------------|--|---------------|----------------------|
| Liabilities | | | |
| | Total current liabilities | 3139 + | 797,063,278 |
| | Total long-term liabilities | 3450 + | 2,292,404,330 |
| | * Subordinated debt | 3460 + | |
| | * Amounts held in trust | 3470 + | |
| | Total liabilities (mandatory field) | 3499 = | 3,089,467,608 |

| | | | |
|---------------------------|---|---------------|----------------------|
| Shareholder equity | | | |
| | Total shareholder equity (mandatory field) | 3620 + | 1,710,147,564 |

| | | | |
|--|---|---------------|----------------------|
| | Total liabilities and shareholder equity | 3640 = | 4,799,615,172 |
|--|---|---------------|----------------------|

| | | | |
|--------------------------|--|---------------|--------------------|
| Retained earnings | | | |
| | Retained earnings/deficit – end (mandatory field) | 3849 = | 203,491,659 |

* Generic item



Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

| | | |
|---|-----------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year end Year Month Day 2019-12-31 |
|---|-----------------------------------|--|

Balance sheet information

| Account | Description | GIFI | Current year | Prior year |
|---------------|---|---------------|----------------------|----------------------|
| Assets | | | | |
| | Total current assets | 1599 + | 604,059,472 | 645,503,961 |
| | Total tangible capital assets | 2008 + | 3,402,823,846 | 3,032,294,395 |
| | Total accumulated amortization of tangible capital assets | 2009 - | | |
| | Total intangible capital assets | 2178 + | 959,112,401 | 898,544,916 |
| | Total accumulated amortization of intangible capital assets | 2179 - | | |
| | Total long-term assets | 2589 + | 3,962,901 | 3,962,900 |
| | * Assets held in trust | 2590 + | | |
| | Total assets (mandatory field) | 2599 = | 4,969,958,620 | 4,580,306,172 |

| | | | | |
|--------------------|--|---------------|----------------------|----------------------|
| Liabilities | | | | |
| | Total current liabilities | 3139 + | 730,655,454 | 771,441,278 |
| | Total long-term liabilities | 3450 + | 2,527,600,301 | 2,153,721,330 |
| | * Subordinated debt | 3460 + | | |
| | * Amounts held in trust | 3470 + | | |
| | Total liabilities (mandatory field) | 3499 = | 3,258,255,755 | 2,925,162,608 |

| | | | | |
|---------------------------|---|---------------|----------------------|----------------------|
| Shareholder equity | | | | |
| | Total shareholder equity (mandatory field) | 3620 + | 1,711,702,865 | 1,655,143,564 |

| | | | | |
|--|---|---------------|----------------------|----------------------|
| | Total liabilities and shareholder equity | 3640 = | 4,969,958,620 | 4,580,306,172 |
|--|---|---------------|----------------------|----------------------|

| | | | | |
|--------------------------|--|---------------|--------------------|--------------------|
| Retained earnings | | | | |
| | Retained earnings/deficit – end (mandatory field) | 3849 = | 170,076,189 | 191,532,659 |

* Generic item



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

| | | |
|---|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|---|-------------------------------|--|

Income statement information

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

| Account | Description | GIFI | Current year | Prior year |
|---------|-------------|------|--------------|------------|
|---------|-------------|------|--------------|------------|

| Income statement information | | | | |
|------------------------------|---|--------|---------------|---------------|
| | Total sales of goods and services | 8089 + | 3,681,945,528 | 3,355,593,277 |
| | Cost of sales | 8518 - | 3,166,790,069 | 2,833,072,475 |
| | Gross profit/loss | 8519 = | 515,155,459 | 522,520,802 |
| | Cost of sales | 8518 + | 3,166,790,069 | 2,833,072,475 |
| | Total operating expenses | 9367 + | 558,069,098 | 444,653,904 |
| | Total expenses (mandatory field) | 9368 = | 3,724,859,167 | 3,277,726,379 |
| | Total revenue (mandatory field) | 8299 + | 3,807,976,178 | 3,424,155,113 |
| | Total expenses (mandatory field) | 9368 - | 3,724,859,167 | 3,277,726,379 |
| | Net non-farming income | 9369 = | 83,117,011 | 146,428,734 |

| 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 = | 83,117,011 | 146,428,734 |
|--|---|--------|------------|-------------|

| | | | | |
|--|---|--------|-------------|-----------|
| | Total other comprehensive income | 9998 = | -15,852,577 | 4,181,587 |
|--|---|--------|-------------|-----------|

| 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 - | 20,128,088 | 39,362,041 |
| | Future (deferred) income tax provision | 9995 - | | |
| | Total – Other comprehensive income | 9998 + | -15,852,577 | 4,181,587 |
| | Net income/loss after taxes and extraordinary items (mandatory field) | 9999 = | 47,136,346 | 111,248,280 |



Notes Checklist

| | | |
|--|-------------------------------|---|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax Year End Year Month Day 2019-12-31 |
|--|-------------------------------|---|

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the **accountant**) who prepared or reported on the financial statements. If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI)* and T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

Part 1 – Information on the accountant who prepared or reported on the financial statements

Does the accountant have a professional designation? **095** Yes No

Is the accountant connected* with the corporation? **097** Yes No

Note
If the accountant does not have a professional designation or is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you **do have** to complete Part 4, as applicable.

* 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 with the financial statements

Choose the option that represents the highest level of involvement of the accountant: **198**

Completed an auditor's report 1

Completed a review engagement report 2

Conducted a compilation engagement 3

Part 3 – Reservations

If you selected option 1 or 2 under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation? **099** Yes No

Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options: **110**

Prepared the tax return (financial statements prepared by client) 1

Prepared the tax return and the financial information contained therein (financial statements have not been prepared) 2

Were notes to the financial statements prepared? **101** Yes No

If **yes**, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes? **104** Yes No

Is re-evaluation of asset information mentioned in the notes? **105** Yes No

Is contingent liability information mentioned in the notes? **106** Yes No

Is information regarding commitments mentioned in the notes? **107** Yes No

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



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

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

Did the corporation apply hedge accounting during the tax year? **255** Yes No

Did the corporation discontinue hedge accounting during the tax year? **260** Yes No

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

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

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 100

| | | |
|-------------------------------|-----------------|--------------------------------|
| Name of corporation | Business Number | Tax year-end Year Month Day |
| ALECTRA UTILITIES CORPORATION | | 2019-12-31 |

Assets – lines 1000 to 2599

| | | | | | |
|-------------|----------------------|-------------|----------------------|-------------|----------------------|
| 1000 | <u>23,653,635</u> | 1060 | <u>247,515,671</u> | 1062 | <u>277,037,106</u> |
| 1120 | <u>26,551,225</u> | 1400 | <u>15,682,509</u> | 1483 | <u>1,040,775</u> |
| 1484 | <u>12,578,551</u> | 1599 | <u>604,059,472</u> | 1900 | <u>3,402,823,846</u> |
| 2008 | <u>3,402,823,846</u> | 2010 | <u>203,912,468</u> | 2012 | <u>755,199,933</u> |
| 2178 | <u>959,112,401</u> | 2200 | <u>3,962,900</u> | 2242 | <u>1</u> |
| 2589 | <u>3,962,901</u> | 2599 | <u>4,969,958,620</u> | | |

Liabilities – lines 2600 to 3499

| | | | | | |
|-------------|----------------------|-------------|--------------------|-------------|----------------------|
| 2620 | <u>346,405,615</u> | 2860 | <u>225,564,306</u> | 2920 | <u>45,667,940</u> |
| 2960 | <u>38,848,089</u> | 2961 | <u>74,169,504</u> | 3139 | <u>730,655,454</u> |
| 3220 | <u>421,449,061</u> | 3240 | <u>47,500,809</u> | 3300 | <u>1,921,200,317</u> |
| 3320 | <u>111,841,224</u> | 3321 | <u>25,608,890</u> | 3450 | <u>2,527,600,301</u> |
| 3499 | <u>3,258,255,755</u> | | | | |

Shareholder equity – lines 3500 to 3640

| | | | | | |
|-------------|--------------------|-------------|----------------------|-------------|----------------------|
| 3500 | <u>728,355,958</u> | 3540 | <u>825,874,529</u> | 3580 | <u>-12,603,811</u> |
| 3600 | <u>170,076,189</u> | 3620 | <u>1,711,702,865</u> | 3640 | <u>4,969,958,620</u> |

Retained earnings – lines 3660 to 3849

| | | | | | |
|-------------|--------------------|-------------|-------------------|-------------|--------------------|
| 3660 | <u>191,532,659</u> | 3680 | <u>62,988,923</u> | 3700 | <u>-84,445,393</u> |
| 3849 | <u>170,076,189</u> | | | | |

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 101

| | | |
|-------------------------------|-----------------|--------------------------------|
| Name of corporation | Business Number | Tax year-end Year Month Day |
| ALECTRA UTILITIES CORPORATION | | 2019-12-31 |

Assets – lines 1000 to 2599

| | | | | | |
|-------------|---------------|-------------|---------------|-------------|---------------|
| 1000 | 23,020,669 | 1060 | 282,879,032 | 1062 | 315,271,682 |
| 1120 | 22,520,639 | 1400 | 11,536,787 | 1480 | 480,175 |
| 1483 | 17,733,445 | 1484 | 13,148,532 | 1599 | 686,590,961 |
| 1900 | 3,204,144,395 | 2008 | 3,204,144,395 | 2010 | 184,521,022 |
| 2012 | 714,375,894 | 2178 | 898,896,916 | 2200 | 3,962,900 |
| 2421 | 6,020,000 | 2589 | 9,982,900 | 2599 | 4,799,615,172 |

Liabilities – lines 2600 to 3499

| | | | | | |
|-------------|-------------|-------------|---------------|-------------|---------------|
| 2620 | 369,601,887 | 2680 | 219,000 | 2860 | 295,352,274 |
| 2920 | 1,311,694 | 2960 | 33,354,326 | 2961 | 97,224,097 |
| 3139 | 797,063,278 | 3140 | 94,360,000 | 3220 | 388,055,392 |
| 3240 | 44,505,639 | 3300 | 1,669,955,895 | 3320 | 80,663,332 |
| 3321 | 14,864,072 | 3450 | 2,292,404,330 | 3499 | 3,089,467,608 |

Shareholder equity – lines 3500 to 3640

| | | | | | |
|-------------|-------------|-------------|---------------|-------------|---------------|
| 3500 | 776,169,958 | 3540 | 727,566,181 | 3580 | 2,919,766 |
| 3600 | 203,491,659 | 3620 | 1,710,147,564 | 3640 | 4,799,615,172 |

Retained earnings – lines 3660 to 3849

| | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 3660 | 164,238,175 | 3680 | 107,066,693 | 3700 | -67,813,209 |
| 3849 | 203,491,659 | | | | |

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 125

| | | |
|-------------------------------|-----------------|--------------------------------|
| Name of corporation | Business Number | Tax year-end Year Month Day |
| ALECTRA UTILITIES CORPORATION | | 2019-12-31 |

Description

Sequence number 0003 01

Other comprehensive income – lines 7000 to 7020

| | | | |
|-------------|-------------|-------------|------------|
| 7002 | -20,982,247 | 7010 | -5,129,670 |
|-------------|-------------|-------------|------------|

Revenue – lines 8000 to 8299

| | | | | | |
|-------------|---------------|-------------|---------------|-------------|---------------|
| 8000 | 3,681,945,528 | 8089 | 3,681,945,528 | 8100 | 795,141 |
| 8210 | 2,029,162 | 8230 | 123,206,347 | 8299 | 3,807,976,178 |

Cost of sales – lines 8300 to 8519

| | | | | | |
|-------------|---------------|-------------|---------------|-------------|-------------|
| 8320 | 3,166,790,069 | 8518 | 3,166,790,069 | 8519 | 515,155,459 |
|-------------|---------------|-------------|---------------|-------------|-------------|

Operating expenses – lines 8520 to 9369

| | | | | | |
|-------------|-------------|-------------|---------------|-------------|-------------|
| 8670 | 154,562,517 | 8710 | 74,744,454 | 9270 | 328,762,127 |
| 9367 | 558,069,098 | 9368 | 3,724,859,167 | 9369 | 83,117,011 |

Extraordinary items and taxes – lines 9970 to 9999

| | | | | | |
|-------------|------------|-------------|------------|-------------|-------------|
| 9970 | 83,117,011 | 9990 | 20,128,088 | 9998 | -15,852,577 |
| 9999 | 47,136,346 | | | | |



Net Income (Loss) for Income Tax Purposes

Schedule 1

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

- 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 47,136,346 A

Add:

| | | | |
|---|------------|-------------|-------------|
| Provision for income taxes – current | 101 | 14,998,418 | |
| Interest and penalties on taxes | 103 | 86,365 | |
| Amortization of tangible assets | 104 | 154,562,517 | |
| Charitable donations and gifts from Schedule 2 | 112 | 380,576 | |
| Taxable capital gains from Schedule 6 | 113 | 2,502,000 | |
| Scientific research expenditures deducted per financial statements | 118 | 892,176 | |
| Non-deductible club dues and fees | 120 | 139,293 | |
| Non-deductible meals and entertainment expenses | 121 | 220,369 | |
| Non-deductible automobile expenses | 122 | 12,132 | |
| Reserves from financial statements – balance at the end of the year | 126 | 97,868,804 | |
| Subtotal of additions | | 271,662,650 | 271,662,650 |

Other additions:

| | | | |
|--|------------|---------|--|
| Recapture of SR&ED expenditures from Form T661 | 231 | 154,504 | |
|--|------------|---------|--|

Miscellaneous other additions:

| | 1 Description | 2 Amount | | |
|---|--------------------------------------|-------------|-----------------------------|------------------------|
| | 605 | 295 | | |
| 1 | Inducement under 12(1)(x) ITA | 765,026 | | |
| 2 | Other additions | 62,878,194 | | |
| 3 | Solar Sunbelt GP - Taxable income | 923,037 | | |
| 4 | Interest on capital lease - building | 1,478,939 | | |
| 5 | 12(1)(x) income | 46,698,721 | | |
| | Total of column 2 | 112,743,917 | 296 | 112,743,917 |
| | | | Subtotal of other additions | 199 112,898,421 |
| | | | Total additions | 500 384,561,071 |

Amount A plus line 500 431,697,417 B

Deduct:

| | | | |
|---|------------|-------------|-------------|
| Gain on disposal of assets per financial statements | 401 | 2,029,162 | |
| Capital cost allowance from Schedule 8 | 403 | 267,410,265 | |
| Reserves from financial statements – balance at the beginning of the year | 414 | 77,848,233 | |
| Subtotal of deductions | | 347,287,660 | 347,287,660 |

Other deductions:

Miscellaneous other deductions:

| | 1 Description | 2 Amount |
|---|---------------------------------------|-------------|
| | 705 | 395 |
| 1 | Deduction under 20(1)(e) ITA | 123,514 |
| 2 | 13(7.4) Election | 46,698,721 |
| 3 | PY ITCs recorded in accounting income | 824,955 |

| | 1 Description | 2 Amount | | | |
|---|--|-------------------|---|-------------------------|----------------------|
| | 705 | 395 | | | |
| 4 | See attached | 23,323,809 | | | |
| | Total of column 2 | <u>70,970,999</u> | ▶ | 396 | <u>70,970,999</u> |
| | | | | 499 | <u>70,970,999</u> ▶ |
| | | | | | <u>70,970,999</u> E |
| | | | | Total deductions | <u>418,258,659</u> ▶ |
| | | | | | <u>418,258,659</u> |
| | Net income (loss) for income tax purposes (amount B minus line 510) | | | | <u>13,438,758</u> C |
| | Enter amount C on line 300 of the T2 return. | | | | |

T2 SCH 1 E (19)



Attached Schedule with Total

Line 395 – Amount

Title Line 395 – Amount

Explanatory note

THE TAXPAYER HEREBY ELECTS, PURSUANT TO SUBSECTION 13(7.4) TO NOT INCLUDE \$46,698,721 IN INCOME PURSUANT TO PARAGRAPH 12(1)(x). ACCORDINGLY, THE TAXPAYER HAS REDUCED THE COST OF PROPERTY ACQUIRED DURING THE YEAR BY \$46,698,721.

| Description | Operator (Note) | Amount |
|------------------|--------------------|----------------------|
| Election 13(7.4) | | 46,698,721 00 |
| | + | |
| | + | |
| | Total | 46,698,721 00 |

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

Attached Schedule with Total

Line 395 – Amount

Title Line 395 – Amount

| Description | Operator (Note) | Amount |
|--|-----------------|----------------------|
| AFUDC - interest capitalized for book purposes - deductible for tax | | 3,849,416 00 |
| OMERS contributions deductible for tax 20.1(q), capitalized for accounting | + | 5,077,463 00 |
| Customer contribution revenue amortization | + | 11,154,356 00 |
| Cash payment on capital leases - Addiscott | + | 1,429,912 00 |
| Net reversal of non-deductible interest and penalty on taxes | + | |
| Accounting gain on sale of Collus shares (excl. \$1.3M Collus dividend) | + | |
| Additional gain on Collus recorded in 2019 | + | 368,329 00 |
| Cash payment on capital leases - other ROU | + | 636,148 00 |
| Cash payment on capital leases - Solar ROU | + | 808,185 00 |
| | + | |
| | Total | 23,323,809 00 |

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

Attached Schedule with Total

Line 295 – Amount

Title Line 295 – Amount

| Description | Operator (Note) | Amount |
|---|--------------------|----------------------|
| Guelph merger costs capitalized in UCC class 14.1 | | |
| Net energy expenses RSVA, not deductible | + | 60,169,455 00 |
| Guelph PY RSVA, not deductible | + | 2,708,739 00 |
| | + | |
| | Total | 62,878,194 00 |

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

Attached Schedule with Total

Line 395 – Amount

Title Line 395 – Amount

| Description | Operator (Note) | Amount |
|---|--------------------|-------------------|
| ITCs recorded in 2019 Accounting Income | | 524,955 00 |
| 2019 Apprenticeship/Co-op accrual | + | 300,000 00 |
| | + | |
| | Total | 824,955 00 |

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

Attached Schedule with Total

Line 295 – Amount

Title Line 295 – Amount

| Description | Operator (Note) | Amount |
|---------------------------------------|-----------------|---------------------|
| Interest on capital lease - Addiscott | | 992,299 00 |
| Interest on capital lease - other ROU | + | 59,846 00 |
| Interest on capital lease - Solar ROU | + | 426,794 00 |
| | + | |
| | Total | 1,478,939 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.

Inducement

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

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

Tax credits whose amount should be added to income

Federal

| A | | |
|-------------------------------------|---|---------|
| <input checked="" type="checkbox"/> | Investment tax credit from apprenticeship job creation expenditures | 186,389 |
| <input 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 type="checkbox"/> | Investment tax credit claimed on contributions made to SR&ED farming organizations | |
| <input type="checkbox"/> | Labour tax credit for qualifying journalism organizations | |

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 | 31,746 |
| <input checked="" type="checkbox"/> | Ontario co-operative education tax credit | 234,083 |
| <input checked="" type="checkbox"/> | Ontario apprenticeship training tax credit | 312,808 |
| <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 sound recording 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 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 | |

Tax credits whose amount should reduce the capital cost of property

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

Federal

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

| Description | Date of expense | A Expense amount | B Amounts deductible in the preceding taxation years | E Annual deduction (This amount is posted to one of the lines 395 of Schedule 1) | F Balance at the end of the year |
|-----------------------------------|-----------------|---------------------|---|---|-------------------------------------|
| 1. 2016 Financing Costs (PSI) | 2016-12-31 | 46,840 | 28,104 | 9,368 | 9,368 |
| 2. Jan 2017 Financing Costs (PSI) | 2017-01-30 | 22,834 | 9,133 | 4,567 | 9,134 |
| 3. 2016 Financing Costs (HUC) | 2016-12-31 | 15,306 | 9,184 | 3,061 | 3,061 |
| 4. 2015 Financing Costs (EHM) | 2015-12-31 | 139,766 | 111,813 | 27,953 | |
| 5. 2015 Financing Costs (GHESI) | 2015-09-25 | 392,823 | 275,299 | 78,565 | 38,959 |
| | Totals | 617,569 | 433,533 | 123,514 | 60,522 |

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

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

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

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

| 1 Description: 2016 Financing Costs (PSI) | | | | | | | |
|--|-----------------|------------------|--|---|--|---|--|
| Subparagraph 20(1)(e)(v) is applicable in the taxation year* | Date of expense | A Expense amount | B Amounts deductible in the preceding taxation years | C Balance before the annual expense (column A minus column B) | D 20 % of amount A x number of days in the taxation year 365 / 365 | E Annual deduction (C or D, whichever is less)* | F Balance at the end of the year (column C minus column E) |
| <input type="checkbox"/> | 2016-12-31 | 46,840 | 28,104 | 18,736 | 9,368 | 9,368 | 9,368 |

| 2 Description: Jan 2017 Financing Costs (PSI) | | | | | | | |
|--|-----------------|------------------|--|---|--|---|--|
| Subparagraph 20(1)(e)(v) is applicable in the taxation year* | Date of expense | A Expense amount | B Amounts deductible in the preceding taxation years | C Balance before the annual expense (column A minus column B) | D 20 % of amount A x number of days in the taxation year 365 / 365 | E Annual deduction (C or D, whichever is less)* | F Balance at the end of the year (column C minus column E) |
| <input type="checkbox"/> | 2017-01-30 | 22,834 | 9,133 | 13,701 | 4,567 | 4,567 | 9,134 |

| 3 Description: 2016 Financing Costs (HUC) | | | | | | | |
|--|-----------------|------------------|--|---|--|---|--|
| Subparagraph 20(1)(e)(v) is applicable in the taxation year* | Date of expense | A Expense amount | B Amounts deductible in the preceding taxation years | C Balance before the annual expense (column A minus column B) | D 20 % of amount A x number of days in the taxation year 365 / 365 | E Annual deduction (C or D, whichever is less)* | F Balance at the end of the year (column C minus column E) |
| <input type="checkbox"/> | 2016-12-31 | 15,306 | 9,184 | 6,122 | 3,061 | 3,061 | 3,061 |

| 4 Description: 2015 Financing Costs (EHM) | | | | | | | |
|--|-----------------|------------------|--|---|--|---|--|
| Subparagraph 20(1)(e)(v) is applicable in the taxation year* | Date of expense | A Expense amount | B Amounts deductible in the preceding taxation years | C Balance before the annual expense (column A minus column B) | D 20 % of amount A x number of days in the taxation year 365 / 365 | E Annual deduction (C or D, whichever is less)* | F Balance at the end of the year (column C minus column E) |
| <input type="checkbox"/> | 2015-12-31 | 139,766 | 111,813 | 27,953 | 27,953 | 27,953 | |

| 5 Description: 2015 Financing Costs (GHESI) | | | | | | | |
|--|-----------------|------------------|--|---|--|---|--|
| Subparagraph 20(1)(e)(v) is applicable in the taxation year* | Date of expense | A Expense amount | B Amounts deductible in the preceding taxation years | C Balance before the annual expense (column A minus column B) | D 20 % of amount A x number of days in the taxation year 365 / 365 | E Annual deduction (C or D, whichever is less)* | F Balance at the end of the year (column C minus column E) |
| <input type="checkbox"/> | 2015-09-25 | 392,823 | 275,299 | 117,524 | 78,565 | 78,565 | 38,959 |



Fiscal period end
Exercice se terminant le

YYYY MM DD

2019-12-31

65

T5013

Statement of Partnership Income

État des revenus d'une société de personnes

Filer's name and address – Nom et adresse du déclarant

SOLAR SUNBELT GENERAL PARTNERSHIP
55 JOHN STREET NORTH
HAMILTON ON L8N 3E4

Tax shelter identification number (see **statement** on reverse side *)
Numéro d'inscription de l'abri fiscal (lisez l'**énoncé** au dos *)

AAAA MM JJ

| | | |
|-----------------------------------|------------------------------|---|
| Partner code Code de l'associé | Country code Code du pays | Recipient type Genre de bénéficiaire |
| 002 2 | 003 CAN | 004 3 |

Partnership account number (15 characters)
Numéro de compte de la société de personnes (15 caractères)

001 [REDACTED]

Total limited partner's business income (loss)
Total du revenu (de la perte) d'entreprise du commanditaire

010 [REDACTED]

Total business income (loss)
Total du revenu (de la perte) d'entreprise

020 923,037 31

Partner's identification number
Numéro d'identification de l'associé

006 [REDACTED]

Partner's share (%) of partnership
Part de l'associé (%) dans
la société de personnes

005 99.997477

Total capital gains (losses)
Total des gains (pertes) en capital

030 [REDACTED]

Capital cost allowance
Déduction pour amortissement

040 40,440 38

Partner's name and address – Nom et adresse de l'associé

Last name (print) – Nom de famille (en lettres moulées) First name – Prénom Initials – Initiales

ALECTRA UTILITIES CORPORATION

55 JOHN STREET NORTH
HAMILTON ON L8R 3M8

| | | | | | |
|-------------|------|------------------|-------------|------|------------------|
| Box Case | Code | Amount – Montant | Box Case | Code | Amount – Montant |
| 116 | | 923,037 31 | 118 | | 1,243,783 61 |

| | | | | | |
|-------------|------|------------------|-------------|------|------------------|
| Box Case | Code | Amount – Montant | Box Case | Code | Amount – Montant |
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|-------------|------|------------------|-------------|------|------------------|
| Box Case | Code | Amount – Montant | Box Case | Code | Amount – Montant |
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| Box Case | Code | Amount – Montant | Box Case | Code | Amount – Montant |
| | | | | | |

Box – Case Code Other information – Autres renseignements

Box – Case Code Other information – Autres renseignements

Box – Case Code Other information – Autres renseignements

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Box – Case Code Other information – Autres renseignements

See the privacy notice on your return
Consultez l'avis de confidentialité dans votre déclaration

For Recipient – Attach to your income tax return 2
Bénéficiaire – Annexe à votre déclaration d'impôt sur le revenu 2

See recipient instructions
Voir les instructions du bénéficiaire

Part 1 – Charitable donations

| | Federal | Québec | Alberta |
|---|---------------------------|------------------|----------------|
| Charitable donations at the end of the previous tax year | | A | |
| Charitable donations expired after 5 tax years* | 239 | | |
| Charitable donations at the beginning of the current tax year (amount A minus line 239) | 240 | | |
| Charitable donations transferred on an amalgamation or the wind-up of a subsidiary | 250 | | |
| Total charitable donations made in the current year (include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes) | 210 <u>380,576</u> | <u>380,576</u> | <u>380,576</u> |
| Subtotal (line 250 plus line 210) | <u>380,576</u> | B <u>380,576</u> | <u>380,576</u> |
| Subtotal (line 240 plus amount B) | <u>380,576</u> | C <u>380,576</u> | <u>380,576</u> |
| Adjustment for an acquisition of control | 255 | | |
| Total charitable donations available (amount C minus line 255) | <u>380,576</u> | D <u>380,576</u> | <u>380,576</u> |
| Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) (enter this amount on line 311 of the T2 return) | 260 <u>380,576</u> | <u>380,576</u> | <u>380,576</u> |
| Charitable donations closing balance (amount D minus line 260) | 280 | | |
| 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, 2021) | 265 | | |
| British Columbia farmers' food donation tax credit (amount on line 265 multiplied by 25 %) | | 3 | |
| Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act. | | | |

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

Amounts carried forward – Charitable donations

| Year of origin: | | Federal | Québec | Alberta |
|------------------------------|------------|---------|--------|---------|
| 1 st prior year | 2018-12-31 | | | |
| 2 nd prior year | 2018-06-30 | | | |
| 3 rd prior year | 2017-12-31 | | | |
| 4 th prior year | 2017-01-30 | | | |
| 5 th prior year | 2016-12-31 | | | |
| 6 th prior year* | 2015-12-31 | | | |
| 7 th prior year | 2014-12-31 | | | |
| 8 th prior year | 2013-12-31 | | | |
| 9 th prior year | 2012-12-31 | | | |
| 10 th prior year | 2011-12-31 | | | |
| 11 th prior year | | | | |
| 12 th prior year | | | | |
| 13 th prior year | | | | |
| 14 th prior year | | | | |
| 15 th prior year | | | | |
| 16 th prior year | | | | |
| 17 th prior year | | | | |
| 18 th prior year | | | | |
| 19 th prior year | | | | |
| 20 th prior year | | | | |
| 21 st prior year* | | | | |
| Total (to line A) | | | | |

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

Part 2 – Maximum allowable deduction for charitable donations

| | | | |
|--|--|-----------------------------------|--------------|
| Net income for tax purposes ^{Note 1} multiplied by 75 % | | 10,079,069 | E |
| 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} | F | | |
| Capital cost ^{Note 2} | G | | |
| Amount F or G, whichever is less | 235 | | |
| Amount on line 230 or 235, whichever is less | | H | |
| | Subtotal (add line 225, 227, and amount H) | I | |
| | | Amount I multiplied by 25 % | J |
| | | Subtotal (amount E plus amount J) | 10,079,069 K |
| Maximum allowable deduction for charitable donations | | | |
| (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is least) | | 380,576 | L |

Note 1 For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

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

Part 3 – Gifts of certified cultural property

| | Federal | Québec | Alberta |
|--|------------|--------|---------|
| Gifts of certified cultural property at the end of the previous tax year | | M | |
| Gifts of certified cultural property expired after 5 tax years* | 439 | | |
| Gifts of certified cultural property at the beginning of the current tax year (amount M minus line 439) | 440 | | |
| Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary | 450 | | |
| Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1) | 410 | | |
| Subtotal (line 450 plus line 410) | | N | |
| Subtotal (line 440 plus amount N) | | O | |
| Adjustment for an acquisition of control | 455 | | |
| Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return) | 460 | | |
| Subtotal (line 455 plus line 460) | | P | |
| Gifts of certified cultural property closing balance (amount O minus amount P) | 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 | 2018-12-31 | | |
| 2 nd prior year | 2018-06-30 | | |
| 3 rd prior year | 2017-12-31 | | |
| 4 th prior year | 2017-01-30 | | |
| 5 th prior year | 2016-12-31 | | |
| 6 th prior year* | 2015-12-31 | | |
| 7 th prior year | 2014-12-31 | | |
| 8 th prior year | 2013-12-31 | | |
| 9 th prior year | 2012-12-31 | | |
| 10 th prior year | 2011-12-31 | | |
| 11 th prior year | | | |
| 12 th prior year | | | |
| 13 th prior year | | | |
| 14 th prior year | | | |
| 15 th prior year | | | |
| 16 th prior year | | | |
| 17 th prior year | | | |
| 18 th prior year | | | |
| 19 th prior year | | | |
| 20 th prior year | | | |
| 21 st prior year* | | | |
| Total | | | |

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

Part 4 – Gifts of certified ecologically sensitive land

| | Federal | Québec | Alberta |
|---|------------|---------|---------|
| Gifts of certified ecologically sensitive land at the end of the previous tax year | _____ | _____ | _____ |
| 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 Q 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) | _____ | R _____ | _____ |
| Subtotal (line 540 plus amount R) | _____ | S _____ | _____ |
| 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) | _____ | T _____ | _____ |
| Gifts of certified ecologically sensitive land closing balance (amount S minus amount T) | 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 | 2018-12-31 | _____ | _____ | _____ |
| 2 nd prior year | 2018-06-30 | _____ | _____ | _____ |
| 3 rd prior year | 2017-12-31 | _____ | _____ | _____ |
| 4 th prior year | 2017-01-30 | _____ | _____ | _____ |
| 5 th prior year | 2016-12-31 | _____ | _____ | _____ |
| 6 th prior year* | 2015-12-31 | _____ | _____ | _____ |
| 7 th prior year | 2014-12-31 | _____ | _____ | _____ |
| 8 th prior year | 2013-12-31 | _____ | _____ | _____ |
| 9 th prior year | 2012-12-31 | _____ | _____ | _____ |
| 10 th prior year | 2011-12-31 | _____ | _____ | _____ |
| 11 th prior year* | | _____ | _____ | _____ |
| 12 th prior year | | _____ | _____ | _____ |
| 13 th prior year | | _____ | _____ | _____ |
| 14 th prior year | | _____ | _____ | _____ |
| 15 th prior year | | _____ | _____ | _____ |
| 16 th prior year | | _____ | _____ | _____ |
| 17 th prior year | | _____ | _____ | _____ |
| 18 th prior year | | _____ | _____ | _____ |
| 19 th prior year | | _____ | _____ | _____ |
| 20 th prior year | | _____ | _____ | _____ |
| 21 st prior year* | | _____ | _____ | _____ |
| Total | | _____ | _____ | _____ |

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

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

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

Part 5 – Additional deduction for gifts of medicine

| | Federal | | Québec | Alberta |
|--|---------|---|--------|---------|
| Additional deduction for gifts of medicine at the end of the previous tax year . . . | | U | | |
| Additional deduction for gifts of medicine expired after 5 tax years* 639 | | | | |
| Additional deduction for gifts of medicine at the beginning of the current tax year (amount U 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) | | V | | |
| Amount V multiplied by 50 % 600 | | W | | |
| Eligible amount of gifts 600 | | | | |

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
| Federal | Additional deduction for gifts of medicine made before March 22, 2017 610 | | | | |
| a _____ x $\left(\frac{b}{c}\right)$ = | | | | | |
| Québec | Additional deduction for gifts of medicine made before March 22, 2017 | | | | |
| a _____ x $\left(\frac{b}{c}\right)$ = | | | | | |
| Alberta | Additional deduction for gifts of medicine made before March 22, 2017 | | | | |
| a _____ x $\left(\frac{b}{c}\right)$ = | | | | | |

where:
a is the **lesser** of line 601 and amount W
b is the eligible amount of gifts (line 600)
c is the proceeds of disposition (line 602)

| | | | | |
|--|--|---|--|--|
| | | | | |
| Subtotal (line 650 plus line 610) | | X | | |
| Subtotal (line 640 plus amount X) | | Y | | |
| Adjustment for an acquisition of control 655 | | | | |
| Amount applied in the current year against taxable income 660 | | | | |
| (enter this amount on line 315 of the T2 return) | | | | |
| Subtotal (line 655 plus line 660) | | Z | | |
| Additional deduction for gifts of medicine closing balance (amount Y minus amount Z) 680 | | | | |

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

Amounts carried forward – Additional deduction for gifts of medicine

| Year of origin: | | Federal | Québec | Alberta |
|------------------------------|------------|---------|--------|---------|
| 1 st prior year | 2018-12-31 | _____ | _____ | _____ |
| 2 nd prior year | 2018-06-30 | _____ | _____ | _____ |
| 3 rd prior year | 2017-12-31 | _____ | _____ | _____ |
| 4 th prior year | 2017-01-30 | _____ | _____ | _____ |
| 5 th prior year | 2016-12-31 | _____ | _____ | _____ |
| 6 th prior year* | 2015-12-31 | _____ | _____ | _____ |
| 7 th prior year | 2014-12-31 | _____ | _____ | _____ |
| 8 th prior year | 2013-12-31 | _____ | _____ | _____ |
| 9 th prior year | 2012-12-31 | _____ | _____ | _____ |
| 10 th prior year | 2011-12-31 | _____ | _____ | _____ |
| 11 th prior year | _____ | _____ | _____ | _____ |
| 12 th prior year | _____ | _____ | _____ | _____ |
| 13 th prior year | _____ | _____ | _____ | _____ |
| 14 th prior year | _____ | _____ | _____ | _____ |
| 15 th prior year | _____ | _____ | _____ | _____ |
| 16 th prior year | _____ | _____ | _____ | _____ |
| 17 th prior year | _____ | _____ | _____ | _____ |
| 18 th prior year | _____ | _____ | _____ | _____ |
| 19 th prior year | _____ | _____ | _____ | _____ |
| 20 th prior year | _____ | _____ | _____ | _____ |
| 21 st prior year* | _____ | _____ | _____ | _____ |
| Total | | ===== | ===== | ===== |

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

Québec – Gifts of musical instruments

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

Amounts carried forward – Gifts of musical instruments

| Year of origin: | | Québec |
|------------------------------|------------|--------|
| 1 st prior year | 2018-12-31 | |
| 2 nd prior year | 2018-06-30 | |
| 3 rd prior year | 2017-12-31 | |
| 4 th prior year | 2017-01-30 | |
| 5 th prior year | 2016-12-31 | |
| 6 th prior year* | 2015-12-31 | |
| 7 th prior year | 2014-12-31 | |
| 8 th prior year | 2013-12-31 | |
| 9 th prior year | 2012-12-31 | |
| 10 th prior year | 2011-12-31 | |
| 11 th prior year | | |
| 12 th prior year | | |
| 13 th prior year | | |
| 14 th prior year | | |
| 15 th prior year | | |
| 16 th prior year | | |
| 17 th prior year | | |
| 18 th prior year | | |
| 19 th prior year | | |
| 20 th prior year | | |
| 21 st prior year* | | |
| Total | | |

* These gifts expired in the current year.





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

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

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

Part 1 – Dividends received in the tax year

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

Important instructions to follow if the payer corporation is connected

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

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

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

| F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) ^{note 1} | F1 | G Eligible dividends included in column F | H Total taxable dividends paid by connected payer corporation (for tax year in column D) | I Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2} | J Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3} | K Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4} |
|--|----|--|--|---|---|--|
| 240 | | 242 | 250 | 260 | 265 | 275 |
| 1 | | | | | | |

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

- 1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column J or column K whichever one applies. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
- 2 If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.
- 3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column G.
- 4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column F.

Part 2 – Calculation of Part IV tax payable

| | | |
|--|------------------|----|
| Part IV tax on dividends received before deductions (amount 1H in part 1) | ..... | 2A |
| Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) | 320 | |
| Subtotal (amount 2A minus line 320) | =====▶ | 2B |
| Current-year non-capital loss claimed to reduce Part IV tax | 330 | |
| Non-capital losses from previous years claimed to reduce Part IV tax | 335 | |
| Current-year farm loss claimed to reduce Part IV tax | 340 | |
| Farm losses from previous years claimed to reduce Part IV tax | 345 | |
| Total losses applied against Part IV tax (total of lines 330 to 345) | ===== | 2C |
| Amount 2C multiplied by 38 1 / 3 % | ..... | 2D |
| Part IV tax payable (amount 2B minus amount 2D, if negative enter "0") | 360 | |

(enter amount on line 712 of the T2 return)

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

| | | |
|---|-------|----|
| Part IV tax before deductions on taxable dividends received from connected corporations ^{note 5} (amount 1F in part 1) | ..... | 2E |
| Amount 4A from Schedule 43 | ..... | 2F |

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

(enter at amount L on page 7 of the T2 return)

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

| | | |
|--|-------|----|
| Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) | ..... | 2H |
| Amount 4C from Schedule 43 | ..... | 2I |

Part IV tax payable on eligible dividends received from non-connected corporations (amount 2H minus amount 2I, if negative enter "0")

(enter at amount M on page 7 of the T2 return)

5 The program calculates the amount on line 2E from the amount on line 1F. If only a portion of the dividend refund to the connected payer corporation results in an eligible refundable dividend tax on hand (ERDTH), enter this amount on line 2E, using an override. However, if the dividend refund to the connected payer corporation does not result in an ERDTH, the amount on line 2E must be equal to "0."

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

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

| | L Name of connected recipient corporation | M Business Number | N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD | O Taxable dividends paid to connected corporations | P Eligible dividends included in column O |
|---|--|----------------------|---|---|--|
| | 400 | 410 | 420 | 430 | 440 |
| 1 | Alectra Inc. | | 2019-12-31 | 78,786,000 | |
| 2 | Alectra Inc. | | 2019-12-31 | 5,659,393 | |

84,445,393
(Total of column O) (Total of column P)

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

| | | |
|---|------------|---------------|
| Total taxable dividends paid in the tax year to other than connected corporations | 450 | |
| Eligible dividends included in line 450 | 455 | |
| Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O plus line 450) | 460 | 84,445,393 |
| Total eligible dividends paid in the tax year (total of column P plus line 455) | 465 | |
| Total non-eligible taxable dividends paid in the tax year (line 460 minus line 465) | 470 | 84,445,393 |
| Complete this part to determine the following amounts in order to calculate the dividend refund. | | |
| Line 465 multiplied by 38 1 / 3 % (enter at amount AA on page 7 of the T2 return) | | 3A |
| Line 470 multiplied by 38 1 / 3 % (enter at amount DD on page 7 of the T2 return) | | 32,370,734 3B |

Part 4 – Total dividends paid in the tax year

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

| | | |
|---|------------|----------------------|
| Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) | | 84,445,393 |
| Other dividends paid in the tax year (total of 510 to 540) | | |
| Total dividends paid in the tax year | 500 | 84,445,393 |
| Dividends paid out of capital dividend account | 510 | |
| Capital gains dividends | 520 | |
| Dividends paid on shares described in subsection 129(1.2) | 530 | |
| Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year | 540 | |
| Subtotal (total of lines 510 to 540) | | ▶ 4A |
| Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 minus amount 4A) | | 84,445,393 4B |





Corporation Loss Continuity and Application

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

- 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 *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 one completed copy of 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 *Income Tax Act*.

Part 1 – Non-capital losses

| | |
|---|-----------------|
| Determination of current-year non-capital loss | |
| Net income (loss) for income tax purposes | 13,438,758 A |
| Deduct: (increase a loss) | |
| Net capital losses deducted in the year (enter as a positive amount) | a |
| Taxable dividends deductible under section 112 or subsections 113(1) or 138(6) | b |
| Amount of Part VI.1 tax deductible under paragraph 110(1)(k) | 4,951,968 c |
| Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) | d |
| Amount of an employer for non-qualified securities under an employee stock options agreement deductible under paragraph 110(1)(e) | 1d |
| Subtotal (total of amounts a to 1d) | 4,951,968 B |
| Subtotal (amount A minus amount B; if positive, enter "0") | C |
| Deduct: (increase a loss) | |
| Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions | D |
| Subtotal (amount C minus amount D) | E |
| Add: (decrease a loss) | |
| 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) | F |
| Current-year non-capital loss (amount E plus amount F; if positive, enter "0") | G |
| If amount G 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 | e |
| Deduct: Non-capital loss expired (note 1) | 100 f |
| Non-capital losses at the beginning of the tax year (amount e minus amount f) | 102 H |
| Add: | |
| Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation | 105 5,516,210 g |
| Current-year non-capital loss (from amount G) | 110 h |
| Subtotal (amount g plus amount h) | 5,516,210 I |
| Subtotal (amount H plus amount I) | 5,516,210 J |

Note 1: A non-capital loss expires as follows:

- after **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

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



Part 1 – Non-capital losses (continued)

Deduct:

| | | |
|---|-----|-----------|
| Other adjustments (includes adjustments for an acquisition of control) | 150 | i |
| Section 80 – Adjustments for forgiven amounts | 140 | j |
| Subsection 111(10) – Adjustments for fuel tax rebate | | j.1 |
| Non-capital losses of previous tax years applied in the current tax year | 130 | 5,516,210 |
| Enter amount k on line 331 of the T2 Return. | | |
| Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3) | 135 | l |
| Subtotal (total of amounts i to l) | | 5,516,210 |
| | | 5,516,210 |
| Non-capital losses before any request for a carryback (amount J minus amount K) | | |

Deduct – Request to carry back non-capital loss to:

| | | |
|---|-----|-----|
| First previous tax year to reduce taxable income | 901 | m |
| Second previous tax year to reduce taxable income | 902 | n |
| Third previous tax year to reduce taxable income | 903 | o |
| First previous tax year to reduce taxable dividends subject to Part IV tax | 911 | p |
| Second previous tax year to reduce taxable dividends subject to Part IV tax | 912 | q |
| Third previous tax year to reduce taxable dividends subject to Part IV tax | 913 | r |
| Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r) | | M |
| Closing balance of non-capital losses to be carried forward to future tax years (amount L minus amount M) | | 180 |
| | | N |

Note 3: Amount l 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 | a |
| Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation | 205 | b |
| Subtotal (amount a plus amount b) | | A |

Deduct:

| | | |
|--|-----|---|
| Other adjustments (includes adjustments for an acquisition of control) | 250 | c |
| Section 80 – Adjustments for forgiven amounts | 240 | d |
| Subtotal (amount c plus amount d) | | B |
| Subtotal (amount A minus amount B) | | C |

Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*)

| | | |
|--|-----|-----|
| Unused non-capital losses that expired in the tax year (note 4) | | e |
| Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5) | | f |
| Enter amount e or f, whichever is less | 215 | g |
| ABILs expired as non-capital losses: line 215 multiplied by 2.000000 | | 220 |
| Subtotal (total of amounts C to E) | | F |

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 above.

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on line f.

Part 2 – Capital losses (continued)

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

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

| | Capital gain (100%) | | Amount carried back (100%) | |
|--------------------------------|------------------------|------------|---|---|
| First previous tax year | 5,290,525 | 951 | _____ | h |
| Second previous tax year | | 952 | _____ | i |
| Third previous tax year | | 953 | _____ | j |
| | | | Subtotal (total of amounts h to j) _____ | I |
| | | | Closing balance of capital losses to be carried forward to future tax years (amount H minus amount I) 280 | J |

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, 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.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year _____ a
Deduct: Farm loss expired (note 8) **300** _____ b
 Farm losses at the beginning of the tax year (amount a **minus** amount b) **302** _____ A

Add:

Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation ... **305** _____ c
 Current-year farm loss (amount F in Part 1) **310** _____ d
 Subtotal (amount c **plus** amount d) _____ B
 Subtotal (amount A **plus** amount B) _____ C

Deduct:

Other adjustments (includes adjustments for an acquisition of control) **350** _____ e
 Section 80 – Adjustments for forgiven amounts **340** _____ f
 Farm losses of previous tax years applied in the current tax year **330** _____ g
 Enter amount g on line 334 of the T2 Return.
 Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax (note 9) **335** _____ h
 Subtotal (total of amounts e to h) _____ D
 Farm losses before any request for a carryback (amount C **minus** amount D) _____ E

Deduct – Request to carry back farm loss to:

First previous tax year to reduce taxable income **921** _____ i
 Second previous tax year to reduce taxable income **922** _____ j
 Third previous tax year to reduce taxable income **923** _____ k
 First previous tax year to reduce taxable dividends subject to Part IV tax **931** _____ l
 Second previous tax year to reduce taxable dividends subject to Part IV tax **932** _____ m
 Third previous tax year to reduce taxable dividends subject to Part IV tax **933** _____ n
 Subtotal (total of amounts i to n) _____ F
 Closing balance of farm losses to be carried forward to future tax years (amount E **minus** amount F) **380** _____ G

Note 8: A farm loss expires as follows:
 • after **10** tax years if it arose in a tax year ending before 2006; and
 • after **20** tax years if it arose in a tax year ending after 2005.

Note 9: Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

| | | |
|--|-------|---|
| Total losses for the year from farming business | 485 | A |
| Minus the deductible farm loss: | | |
| (amount A above _____ – \$2,500) divided by 2 = _____ a | | |
| Amount a or \$ 15,000 (note 10), whichever is less | 2,500 | b |
| | 2,500 | c |
| Subtotal (amount b plus amount c) | 2,500 | B |
| Current-year restricted farm loss (amount A minus amount B) | | C |

Continuity of restricted farm losses and request for a carryback

| | | |
|---|-----|---|
| Restricted farm losses at the end of the previous tax year | | d |
| Deduct: Restricted farm loss expired (note 11) | 400 | e |
| Restricted farm losses at the beginning of the tax year (amount d minus amount e) | 402 | D |
| Add: | | |
| Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation | 405 | f |
| Current-year restricted farm loss (from amount C) | 410 | g |
| Enter amount g on line 233 of Schedule 1, <i>Net Income (Loss) for Income Tax Purposes</i> . | | |
| Subtotal (amount f plus amount g) | | E |
| Subtotal (amount D plus amount E) | | F |

Deduct:

| | | |
|--|-----|---|
| Restricted farm losses from previous tax years applied against current farming income | 430 | h |
| Enter amount h on line 333 of the T2 return. | | |
| Section 80 – Adjustments for forgiven amounts | 440 | i |
| Other adjustments | 450 | j |
| Subtotal (total of amounts h to j) | | G |
| Restricted farm losses before any request for a carryback (amount F minus amount G) | | H |

Deduct – Request to carry back restricted farm loss to:

| | | |
|--|-----|---|
| First previous tax year to reduce farming income | 941 | k |
| Second previous tax year to reduce farming income | 942 | l |
| Third previous tax year to reduce farming income | 943 | m |
| Subtotal (total of amounts k to m) | | I |
| Closing balance of restricted farm losses to be carried forward to future tax years (amount H minus amount I) | 480 | J |

Note

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

Note 10: For tax years that end before March 21, 2013, use \$6,250 instead of \$15,000.

Note 11: A restricted farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

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 a

Deduct: Listed personal property loss expired after 7 tax years **500** b

Listed personal property losses at the beginning of the tax year (amount a **minus** amount b) ... **502** **A**

Add: Current-year listed personal property loss (from Schedule 6) **510** **B**

Subtotal (amount A **plus** amount B) **C**

Deduct:

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

Other adjustments **550** d

Subtotal (amount c **plus** amount d) **D**

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

Deduct – Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains **961** e

Second previous tax year to reduce listed personal property gains **962** f

Third previous tax year to reduce listed personal property gains **963** g

Subtotal (total of amounts e to g) **F**

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

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), check the box

190

Yes

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

Note

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

Non-Capital Loss Continuity Workchart

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

Non-capital losses

| Year of origin | Balance at beginning of year | Loss incurred in current year | Adjustments and transfers | Loss carried back Parts I & IV | Applied to reduce | | Balance at end of year |
|--|------------------------------|-------------------------------|---------------------------|--------------------------------|-------------------|-------------|------------------------|
| | | | | | Taxable income | Part IV tax | |
| Current | N/A | | | | N/A | | |
| 1st preceding taxation year 2018-12-31 | | N/A | | N/A | | | |
| 2nd preceding taxation year 2018-06-30 | | N/A | 17,130 | N/A | 17,130 | | |
| 3rd preceding taxation year 2017-12-31 | | N/A | 99,000 | N/A | 99,000 | | |
| 4th preceding taxation year 2017-01-30 | | N/A | | N/A | | | |
| 5th preceding taxation year 2016-12-31 | | N/A | 413,990 | N/A | 413,990 | | |
| 6th preceding taxation year 2015-12-31 | | N/A | 763,229 | N/A | 763,229 | | |
| 7th preceding taxation year 2014-12-31 | | N/A | 2,230,110 | N/A | 2,230,110 | | |
| 8th preceding taxation year 2013-12-31 | | N/A | 81,592 | N/A | 81,592 | | |
| 9th preceding taxation year 2012-12-31 | | N/A | 1,455,957 | N/A | 1,455,957 | | |
| 10th preceding taxation year 2011-12-31 | | N/A | 455,202 | N/A | 455,202 | | |
| 11th preceding taxation year | | N/A | | N/A | | | |
| 12th preceding taxation year | | N/A | | N/A | | | |
| 13th preceding taxation year | | N/A | | N/A | | | |
| 14th preceding taxation year | | N/A | | N/A | | | |
| 15th preceding taxation year | | N/A | | N/A | | | |
| 16th preceding taxation year | | N/A | | N/A | | | |
| 17th preceding taxation year | | N/A | | N/A | | | |
| 18th preceding taxation year | | N/A | | N/A | | | |
| 19th preceding taxation year | | N/A | | N/A | | | |
| 20th preceding taxation year | | N/A | | N/A | | | * |
| Total | | | 5,516,210 | | 5,516,210 | | |

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



Tax Calculation Supplementary – Corporations

| | | |
|--|-----------------------------------|---|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business Number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-----------------------------------|---|

- Use this schedule if, during the tax year, your corporation:
 - 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),
 - is claiming provincial or territorial tax credits or rebates (see Part 2), or
 - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references are to the Income Tax Regulations.
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

| 100 | | Enter the Regulation that applies (402 to 413) | | | | |
|--|--|--|-------------------------------|--------------------|-------------------------------|---|
| A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year * | | B Total salaries and wages paid in jurisdiction | C (B x taxable income) / G | D Gross revenue | E (D x taxable income) / H | F Allocation of taxable income (C + E) x 1/2** (where either G or H is nil, do not multiply by 1/2) |
| Newfoundland and Labrador | 003 Yes <input type="checkbox"/> | 103 | | 143 | | |
| Newfoundland and Labrador Offshore | 004 Yes <input type="checkbox"/> | 104 | | 144 | | |
| Prince Edward Island | 005 Yes <input type="checkbox"/> | 105 | | 145 | | |
| Nova Scotia | 007 Yes <input type="checkbox"/> | 107 | | 147 | | |
| Nova Scotia Offshore | 008 Yes <input type="checkbox"/> | 108 | | 148 | | |
| New Brunswick | 009 Yes <input type="checkbox"/> | 109 | | 149 | | |
| Quebec | 011 Yes <input type="checkbox"/> | 111 | | 151 | | |
| Ontario | 013 Yes <input type="checkbox"/> | 113 | | 153 | | |
| Manitoba | 015 Yes <input type="checkbox"/> | 115 | | 155 | | |
| Saskatchewan | 017 Yes <input type="checkbox"/> | 117 | | 157 | | |
| Alberta | 019 Yes <input type="checkbox"/> | 119 | | 159 | | |
| British Columbia | 021 Yes <input type="checkbox"/> | 121 | | 161 | | |
| Yukon | 023 Yes <input type="checkbox"/> | 123 | | 163 | | |
| Northwest Territories | 025 Yes <input type="checkbox"/> | 125 | | 165 | | |
| Nunavut | 026 Yes <input type="checkbox"/> | 126 | | 166 | | |
| Outside Canada | 027 Yes <input type="checkbox"/> | 127 | | 167 | | |
| Total | | 129 | G | 169 | H | |

* Permanent establishment is defined in subsection 400(2)

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

Notes:

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



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

| Total taxable income | Income eligible for small business deduction | Provincial or territorial allocation of taxable income | Provincial or territorial tax payable before credits |
|----------------------|--|--|--|
| 2,590,004 | | 2,590,004 | 297,850 |

| | | | |
|--|-----|-----------|------------|
| Ontario basic income tax (from Schedule 500) | 270 | 297,850 | |
| Ontario small business deduction (from Schedule 500) | 402 | | |
| Subtotal (line 270 minus line 402) | | 297,850 | 297,850 5A |
| Ontario transitional tax debits (from Schedule 506) | 276 | | |
| Recapture of Ontario research and development tax credit (from Schedule 508) | 277 | | |
| Subtotal (line 276 plus line 277) | | | 5B |
| Gross Ontario tax (amount 5A plus amount 5B) | | 297,850 | 5C |
| Ontario resource tax credit (from Schedule 504) | 404 | | |
| Ontario tax credit for manufacturing and processing (from Schedule 502) | 406 | | |
| Ontario foreign tax credit (from Schedule 21) | 408 | | |
| Ontario credit union tax reduction (from Schedule 500) | 410 | | |
| Ontario political contributions tax credit (from Schedule 525) | 415 | | |
| Ontario non-refundable tax credits (total of lines 404 to 415) | | | 5D |
| Subtotal (amount 5C minus amount 5D) (if negative, enter "0") | | 297,850 | 5E |
| Ontario research and development tax credit (from Schedule 508) | 416 | 88,882 | |
| Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E minus line 416) (if negative, enter "0") | | 208,968 | 5F |
| Ontario corporate minimum tax credit (from Schedule 510) | 418 | | |
| Ontario community food program donation tax credit for farmers (from Schedule 2) | 420 | | |
| Ontario corporate income tax payable (amount 5F minus the total of lines 418 and 420) (if negative, enter "0") | | 208,968 | 5G |
| Ontario corporate minimum tax (from Schedule 510) | 278 | 1,371,848 | |
| Ontario special additional tax on life insurance corporations (from Schedule 512) | 280 | | |
| Subtotal (line 278 plus line 280) | | 1,371,848 | 5H |
| Total Ontario tax payable before refundable tax credits (amount 5G plus amount 5H) | | 1,580,816 | 5I |
| Ontario qualifying environmental trust tax credit | 450 | | |
| Ontario co-operative education tax credit (from Schedule 550) | 452 | 327,609 | |
| Ontario apprenticeship training tax credit (from Schedule 552) | 454 | 123,891 | |
| Ontario computer animation and special effects tax credit (from Schedule 554) | 456 | | |
| Ontario film and television tax credit (from Schedule 556) | 458 | | |
| Ontario production services tax credit (from Schedule 558) | 460 | | |
| Ontario interactive digital media tax credit (from Schedule 560) | 462 | | |
| Ontario sound recording tax credit (from Schedule 562) | 464 | | |
| Ontario book publishing tax credit (from Schedule 564) | 466 | | |
| Ontario innovation tax credit (from Schedule 566) | 468 | | |
| Ontario business-research institute tax credit (from Schedule 568) | 470 | 1,200 | |
| Ontario refundable tax credits (total of lines 450 to 470) | | 452,700 | 452,700 5J |
| Net Ontario tax payable or refundable tax credit (amount 5I minus amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255. | 290 | 1,128,116 | |

Summary

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

Net provincial and territorial tax payable or refundable tax credits 255 1,128,116

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.



Summary of Dispositions of Capital Property

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

- Use this schedule if your corporation disposed of (actual or deemed) capital property or claimed an allowable business investment loss (ABIL), or both, in the tax year.
- Also use this schedule to make a designation under paragraph 111(4)(e) of the *Income Tax Act* 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 Guide T4012, *T2 Corporation – Income Tax Guide*.

Designation under paragraph 111(4)(e) of the Income Tax Act

Are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e)? **050** 1 Yes 2 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 are held | 3 Class of shares | 4 Date of Acquisition YYYY/MM/DD | 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) of the Act to all losses identified in Part 1 **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 YYYY/MM/DD | 3 Proceeds of disposition | 4 Adjusted cost base | 5 Outlays and expenses from disposition | 6 Gain (or loss) (column 3 minus columns 4 and 5) | A | | |
|---|--|------------------------------|-------------------------|--|---|------------------|------------------|----------|
| 200 | 210 | 220 | 230 | 240 | 250 | FS | PA | |
| 1 703 Hwy 8 Stoney Creek ON L8E 5J6 | 2001-10-01 | 3,225,339 | 1,240,121 | | 1,985,218 | | | |
| 2 60 Cityview Blvd Maple ON L6A 1S1 | 2005-01-01 | 10,009,062 | 7,410,470 | | 2,598,592 | | | |
| 3 58 Halson Street Ancaster ON L9G 2B8 | 2001-10-01 | 322,500 | 49,500 | | 273,000 | | | |
| Totals | | | | | 13,556,901 | 8,700,091 | 4,856,810 | B |

Part 3 – Bonds

| 1 Face value of bonds | 2 Maturity date YYYY/MM/DD | 3 Name of bond issuer | 4 Date of Acquisition YYYY/MM/DD | 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 |

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

| 1 Description of other property | 2 Date of Acquisition YYYY/MM/DD | 3 Proceeds of disposition | 4 Adjusted cost base | 5 Outlays and expenses from disposition | 6 Gain (or loss) (column 3 minus columns 4 and 5) | A |
|------------------------------------|--|------------------------------|-------------------------|--|---|-------|
| 400 | 410 | 420 | 430 | 440 | 450 | FS PA |
| Totals | | | | | | D |

Note
Other property includes capital debts established as bad debts, as well as amounts that arise from foreign currency transactions.

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

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

Note
You cannot deduct losses on dispositions of personal-use property (other than listed personal property) from your income.

Part 6 – Listed personal property

| 1 Description of listed personal property | 2 Date of Acquisition YYYY/MM/DD | 3 Proceeds of disposition | 4 Adjusted cost base | 5 Outlays and expenses from disposition | 6 Gain (or loss) (column 3 minus columns 4 and 5) | A |
|--|--|------------------------------|-------------------------|--|---|-------|
| 600 | 610 | 620 | 630 | 640 | 650 | FS PA |
| Totals | | | | | | |

Deduct: 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.

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

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

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

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

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

Part 8 – Capital gains or losses

| | | |
|---|------------------------------------|---|
| Total of amounts A to F (do not include amount F if it is a loss) | 4,856,810 | H |
| Add: | | |
| Capital gains dividend received in the year | 875 | I <input type="checkbox"/> <input type="checkbox"/> |
| Capital gains reserve opening balance (from Part 1 of Schedule 13, <i>Continuity of Reserves</i> , enter the amount from line 8, <i>Balance at the beginning of the year plus</i> the amount from line 9, <i>Transfer on an amalgamation or the wind-up of a subsidiary</i>) | 880 147,189 | J |
| | Subtotal (total of amounts H to J) | 5,003,999 K |
| Deduct: Capital gains reserve closing balance (from Schedule 13) | 885 | L |
| Capital gains or losses, excluding ABILs (amount K minus amount L) | 890 5,003,999 | M |

Part 9 – Taxable capital gains and total capital losses

Capital gains or losses, excluding ABILs (amount from line 890 in Part 8) 5,003,999 N

Deduct the following amounts included in amount N, 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 of the Act 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 subparagraphs 38(a.1)(i) and (iii) of the Act

895 a

FS PA

Gain on the donation to a qualified donee of ecologically sensitive land under paragraph 38(a.2) of the Act*

896 b

FS PA

Exempt portion of the gain on the donation of securities arising from the exchange of a partnership interest under paragraph 38(a.3)

b-2

FS PA

Subtotal (amount a plus amount b plus b-2) O

Subtotal (amount N minus amount O) 5,003,999 P

Add:

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) of the Act:

Exemption threshold at time of disposition 897 c

The total of all capital gains from the disposition of the actual property 898 d

Amount c or amount d, whichever is less Q

Taxable capital gains under section 34.2 of the Act (line 275 of Schedule 73, *Income Inclusion Summary for Corporations that are Members of Partnerships*)

x 2 = 899 R

Subtotal (total of amounts P to R) 5,003,999 S

Deduct:

Allowable capital losses under section 34.2 of the Act (line 285 of Schedule 73, *Income Inclusion Summary for Corporations that are Members of Partnerships*)

x 2 = 901 T

Total capital gains or losses (amount S minus amount T) 5,003,999 U

Taxable capital gains or total capital losses

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

Taxable capital gains (if amount U is positive, enter amount U 5,003,999 multiplied by 50.0000 %; if amount U is negative, enter "0") 2,502,000 W

Enter amount W on line 113 of Schedule 1.

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





Aggregate Investment Income and Income Eligible for the Small Business Deduction

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

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

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

Part 1 – Aggregate investment income

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

| | | |
|--|------------|-------------|
| Eligible portion of taxable capital gains for the year | 002 | 2,502,000 |
| Eligible portion of allowable capital losses for the year (including allowable business investment losses) | 012 | |
| Net capital losses of previous years claimed on line 332 on the T2 return | 022 | |
| Subtotal (line 012 plus line 022) | ▶ | A |
| Line 002 minus amount A (if negative, enter "0") | | B 2,502,000 |
| | | |
| Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada) | 032 | |
| Exempt income | 042 | |
| Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year | 052 | |
| Taxable dividends deductible (total of column F on Schedule 3 minus related expenses) | 062 | |
| Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) | 072 | |
| Subtotal (add lines 042, 052, 062 and 072) | ▶ | C |
| Subtotal (line 032 minus amount C) | ▶ | D |
| Amount B plus amount D | | E 2,502,000 |
| | | |
| Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada) | 082 | |
| Amount E minus line 082 (if negative, enter "0") (enter on line 440 of the T2 return) | 092 | 2,502,000 |



Part 2 – Adjusted aggregate investment income

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

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

| | | | |
|--|-----------|--|----|
| Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset ^{note 13}) | | | 2A |
| Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset ^{note 13}) | | | 2B |
| | | Subtotal (amount 2A minus amount 2B) (if negative, enter "0") | 2C |
| Total income from property for each tax year that ended in the preceding calendar year ^{note 14} | 1,332,988 | 2D | |
| Exempt income for each tax year that ended in the preceding calendar year | | 2E | |
| Amounts received from AgrilInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year | | 2F | |
| Dividends from connected corporations for each tax year that ended in the preceding calendar year | 1,332,988 | 2G | |
| Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year | | 2H | |
| | 1,332,988 | 2I | |
| | | Subtotal (amount 2D minus amount 2I) | 2J |
| | | Amount 2C plus amount 2J | 2K |
| Total losses from property for each tax year that ended in the preceding calendar year ^{note 14} | | | 2L |
| Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year | 742 | | |
| Adjusted aggregate investment income (amount 2K minus amount 2L, plus line 742) (if negative, enter "0") | 744 | | |
| (enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return) | | | |

Part 3 – Foreign investment income

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

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

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

| | A Canadian investment income | B Foreign investment income | C Adjusted aggregate investment income* |
|--|------------------------------------|-----------------------------------|---|
| Eligible portion of the taxable capital gains for the year before taking into account the capital gains reserves (federal) of Schedule 13* | 2,428,405 | | 1.1 |
| Eligible portion of capital gains reserves (addition/deduction)*. ** | 73,595 | | 1.2 |
| Taxable capital gains under section 34.2 (line 275 on Schedule 73)** | | | 1.3 |
| Eligible portion of the taxable capital gains for the year (add amounts 1.1, 1.2, and 1.3) | 2,502,000 | | 1 |
| Eligible portion of allowable capital losses for the year (including allowable business investment losses)* | | | 2.1 |
| Net capital losses of previous years (line 332 on the T2 return) | | | 2.2 |
| Allowable capital losses under section 34.2 (line 285 of Schedule 73)** | | | 2.3 |
| Allowable capital losses for the year (add amounts 2.1, 2.2 and 2.3) | | | 2 |
| Amount 1 minus amount 2 (if negative, enter "0") | 2,502,000 | | 3 |
| Taxable dividends | | | 4.1 |
| Rental property income (under regulation 1100(11)) | | | 4.2 |
| Other property income* | | | 4.3 |
| Property income under section 34.2 (line 280 of Schedule 73)** | | | 4.4 |
| Total property income (add amounts 4.1, 4.2, 4.3 and 4.4) | | | 4 |
| Exempt income | | | 5.1 |
| Amounts received from AgrilInvest Fund No. 2 that were included in computing the corporation's income for the year | | | 5.2 |
| Taxable dividends deductible (total of column F on Schedule 3 minus related expenses)* | | | 5.3 |
| Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) | | | 5.4 |
| Add amounts 5.1, 5.2, 5.3 and 5.4 | | | 5 |
| Amount 4 minus amount 5 | | | 6 |
| Amount 3 plus amount 6 | 2,502,000 | | 7 |
| Rental property losses (under regulation 1100(11)) | | | 8.1 |
| Dividend losses | | | 8.2 |
| Other property losses* | | | 8.3 |
| Property losses under section 34.2 (line 280 of Schedule 73)** | | | 8.4 |
| Total property losses (add amounts 8.1, 8.2, 8.3 and 8.4) | | | 8 |
| Amount 7 minus amount 8 (if negative, enter "0") | 2,502,000 | | 9 |
| Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year | | | 10 |
| Amount 7 minus amount 8 plus amount 10 (if negative, enter "0") | | | 11 |

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

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

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

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

Part 4 – Specified partnership income

Table 1 – Specified partnership income

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

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

Total **350**

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

Total **385** **360**

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

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

Subtotal (line 370 plus line 380) _____ N

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

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

Part 4 – Specified partnership income (continued)

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

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

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

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

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

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

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

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

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

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

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

Part 6 – Income eligible for the small business deduction

| | | | |
|---|------------|----|---------------|
| Net income for income tax purposes from line 300 of the T2 return | 13,438,758 | S | |
| Allowable business investment loss from line 406 of Schedule 1 | | T | |
| Subtotal (amount S plus amount T) | 13,438,758 | ▶ | 13,438,758 U |
| Foreign business income after deducting related expenses ^{note 9} | 500 | | |
| Taxable capital gains from line 113 of Schedule 1 | 2,502,000 | V | |
| Net property income (line 032 ^{note 10} minus the total of lines 042, 052 and 082 ^{note 9} in Part 1) | | W | |
| Personal services business income after deducting related expenses ^{note 9} | | e1 | |
| Other income after deducting related expenses ^{note 9} | | e2 | |
| Subtotal (amount e1 plus amount e2) ^{note 9} | 520 | ▶ | |
| Subtotal (add line 500, amount V, amount W and line 520) | 2,502,000 | ▶ | 2,502,000 X |
| Net amount (amount U minus amount X) | | | 10,936,758 Y |
| Partnership income not eligible for the small business deduction (line 450 in Part 5) | | Z | |
| Partnership income allocated to your corporation under subsection 96(1.1) | 530 | | |
| Income referred to in clause 125(1)(a)(i)(C) | 540 | | |
| Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7) | | AA | |
| Subtotal (add amount Z, line 530, line 540 and amount AA) | | ▶ | BB |
| Specified corporate income (from line 625 in Part 7) | | | CC |
| Income eligible for the small business deduction (amount Y minus amount BB, plus amount CC) | | | 10,936,758 DD |
| <small>(enter amount DD on line 400 of the T2 return - if negative, enter "0")</small> | | | |

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

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

See the privacy statement on your return.

Notes

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

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

Add:

- the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
- the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
- the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

- the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
- the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)

Note 2 When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.

Note 3 If you are a **designated member** of the partnership, enter "0".

Note 4 You must enter "0" if the partnership provides services or property to either:

(A) a private corporation (directly or indirectly in any manner whatever) in the year, if:

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

(B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:

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

Note 5 If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit**, complete Table 2 to determine the amounts to enter in Table 1 column I1.

Note 6 If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.

Note 7 Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.

Note 8 Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.

Note 9 If negative, enter amount in brackets, and **add** instead of subtracting.

Note 10 Net of related expenses.

Note 11 This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

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

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

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

Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.

Note 12 The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

Notes (continued)

Note 13 Active asset, of a particular corporation at any time, means property that is:

- (A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,
- (B) a share of the capital stock of another corporation if, at that time,
 - the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
 - the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:
 - the references in that definition to an "individual" were references to the particular corporation, and
 - that definition were read without reference to "the individual's spouse or common-law partner", or
- (C) an interest in a partnership, if:
 - at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
 - throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
 - at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).

Note 14 Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts were not included in the computation of the corporation's aggregate investment income in Part 1).



Capital Cost Allowance (CCA)

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

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

| 1 Class number * See note 1 200 | Description | 2 Undepreciated capital cost (UCC) at the beginning of the year 201 | 3 Cost of acquisitions during the year (new property must be available for use) See note 2 203 | 4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3 225 | 5 Adjustments and transfers See note 4 205 | 6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 221 | 7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 222 | 8 Proceeds of dispositions See note 7 207 | For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions) 211 |
|--|---------------------------------|--|--|---|--|---|--|---|--|
| 1. | 1 | 813,457,114 | 4,414,826 | 4,168,611 | 44,837,872 | | | 3,225,339 | |
| 2. | 1b | 9,935,122 | | | | | | 0 | |
| 3. | 1b 2185 Derry Rd | 3,303,129 | | | | | | 0 | |
| 4. | 1b Aquitaine Substation | 386,508 | | | | | | 0 | |
| 5. | 1b BCM Building | 654,834 | | | | | | 0 | |
| 6. | 1b Erin Mills Substation | 1,490,428 | | | | | | 0 | |
| 7. | 1b Rubin MS | 580,700 | | | | | | 0 | |
| 8. | 1b Winston Churchill Substation | 109,358 | | | | | | 0 | |
| 9. | 2 | 86,196,075 | | | 6,215,388 | | | 0 | |
| 10. | 3 | 2,975,860 | | | | | | 0 | |
| 11. | 6 | 7,694 | | | | | | 0 | |
| 12. | 8 | 24,788,694 | 1,078,250 | 1,078,250 | 1,000,443 | | | 0 | |
| 13. | 8 Solar Business - Office Equip | 638 | | | | | | 0 | |
| 14. | 10 | 17,208,185 | 3,433,964 | 3,433,964 | 1,107,617 | | | 254,344 | |
| 15. | 10.1 #48560 | 2,396 | | | | | | N/A | |
| 16. | 10.1 019-07 | 580 | | | | | | N/A | |
| 17. | 10.1 020-07 | 406 | | | | | | N/A | |
| 18. | 10.1 Dodge Sprinter Van | 287 | | | | | | N/A | |
| 19. | 10.1 Ford Escape Hybrid | 287 | | | | | | N/A | |
| 20. | 10.1 Ford Escape Hybrid | 287 | | | | | | N/A | |
| 21. | 10.1 Vehicle 023-08 | 822 | | | | | | N/A | |
| 22. | 10.1 Vehicle 024-09 | 822 | | | | | | N/A | |
| 23. | 12 | 16,217,678 | 40,618,801 | | 35,647 | | | 0 | |
| 24. | 13 Addiscott Ops Centre | 768,225 | | | | | | 0 | |

| 1 Class number * See note 1 | 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 2 | 4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3 | 5 Adjustments and transfers See note 4 | 6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 | 7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 | 8 Proceeds of dispositions See note 7 | For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions) |
|--|-------------------------------|---|---|---|---|--|---|--|---|
| 200 | | 201 | 203 | 225 | 205 | 221 | 222 | 207 | 211 |
| 25. 13 | Barrie Hydro - right to use | 360,309 | | | | | | 0 | |
| 26. 13 | PS Inc - 2005 Addition | 128,431 | | | | | | 0 | |
| 27. 14 | Churchill Meadows | 33,531,823 | | | | | | 0 | |
| 28. 14 | Dundas | 44,338 | | | | | | 0 | |
| 29. 14 | H1 Midhurst CC | 3,346,762 | | | | | | 0 | |
| 30. 14 | Nebo Road | 880,754 | | | | | | 0 | |
| 31. 14 | Vansickle Substation | 6,493,079 | | | | | | 0 | |
| 32. 14 | Winona | 5,466,856 | | | | | | 0 | |
| 33. 14.1 | | 155,908,194 | | | | | | 0 | |
| 34. 17 | | 778,311 | 43,929 | 43,929 | 40,725 | | | 0 | |
| 35. 43.1 | | 27,600 | | | 8,180 | | | 0 | |
| 36. 43.2 | PSI Smart Grid | 921,094 | 1,210,193 | 1,210,193 | | | | 0 | |
| 37. 43.2 | Solar Business - Solar Panels | 7,296,808 | | | | | | 0 | |
| 38. 45 | | 8,449 | | | 216,738 | | | 0 | |
| 39. 47 | | 1,381,413,816 | 275,568,055 | 170,774,568 | 69,745,445 | | | 0 | |
| 40. 50 | | 3,506,358 | 6,452,934 | 6,452,934 | 237,109 | | | 0 | |
| 41. 52 | | | | | | | | 0 | |
| 42. 95 | | 131,922,477 | | | -59,571,806 | | | 0 | |
| 43. 95 | Solar Business - WIP | 884 | 17,820 | 17,820 | -884 | | | 0 | |
| 44. 14 | Pleasant CCRA (Brampton) | 6,539,873 | | | | | | 0 | |
| 45. 1b | 2185 Derry Rd. 2018 | 3,534,308 | 3,014,336 | 3,014,336 | | | | 0 | |
| 46. 1b | 55 John St. 2018 | 4,405,389 | 1,287,736 | 1,287,736 | | | | 0 | |
| 47. 1 | GHESE-ENVIDA | | | | 2,345,019 | | | 0 | |
| 48. 1b | GHESE | | | | 959,592 | | | 0 | |
| 49. 1b | GHESE (2) | | | | 27,595 | | | 0 | |
| 50. 1b | GHESE-ENVIDA | | | | 6,860 | | | 0 | |
| 51. 8 | GHESE-ENVIDA | | 39,984 | 39,984 | 5,661,207 | | | 0 | |
| 52. 10 | GHESE-ENVIDA | | | | 5,043 | | | 0 | |
| 53. 14.1 | GHESE 7 | | | | 1,830,325 | | | 0 | |
| 54. 14.1 | GHESE 5 | | | | 77,471 | | | 0 | |
| 55. 14.1 | GHESE-ENVIDA | | | | 32,767 | | | 0 | |
| 56. 17 | GHESE-ENVIDA | | | | 2,893,471 | | | 0 | |
| 57. 43.2 | GHESE-ENVIDA | | | | 3,273,062 | | | 0 | |
| 58. 42 | GHESE | | | | 133 | | | 0 | |

| 1 Class number * See note 1 200 | Description | 2 Undepreciated capital cost (UCC) at the beginning of the year 201 | 3 Cost of acquisitions during the year (new property must be available for use) See note 2 203 | 4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3 225 | 5 Adjustments and transfers See note 4 205 | 6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 221 | 7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 222 | 8 Proceeds of dispositions See note 7 207 | For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions) 211 |
|--|-------------|--|--|---|--|---|--|---|--|
| 59. 1b | Cityview | | 503,638 | 503,638 | | | | 0 | |
| Totals | | 2,724,602,042 | 337,684,466 | 192,025,963 | 80,985,019 | | | 3,479,683 | |

| 1 Class number * See note 1 200 | Description | 9 UCC (column 2 plus column 3 plus or minus column 5) minus column 8) See note 8 | 10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0") | 11 Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0") | 12 UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor) See note 9 | 13 UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10 224 | 14 CCA rate % See note 11 212 | 15 Recapture of CCA See note 12 213 | 16 Terminal loss See note 13 215 | 17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14 217 | 18 UCC at the end of the year (column 9 minus column 17) 220 |
|--|--------------|--|---|---|--|--|---|---|--|---|---|
| 1. | 1 | 859,484,473 | 2,979,124 | 1,189,487 | 594,744 | | 4 | 0 | 0 | 34,403,169 | 825,081,304 |
| 2. | 1b | 9,935,122 | | | | | 6 | 0 | 0 | 596,107 | 9,339,015 |
| 3. | 1b 2185 C | 3,303,129 | | | | | 6 | 0 | 0 | 198,188 | 3,104,941 |
| 4. | 1b Aquitai | 386,508 | | | | | 6 | 0 | 0 | 23,190 | 363,318 |
| 5. | 1b BCM Bi | 654,834 | | | | | 6 | 0 | 0 | 39,290 | 615,544 |
| 6. | 1b Erin Mi | 1,490,428 | | | | | 6 | 0 | 0 | 89,426 | 1,401,002 |
| 7. | 1b Rubin I | 580,700 | | | | | 6 | 0 | 0 | 34,842 | 545,858 |
| 8. | 1b Winsto | 109,358 | | | | | 6 | 0 | 0 | 6,561 | 102,797 |
| 9. | 2 | 92,411,463 | | | | | 6 | 0 | 0 | 5,544,688 | 86,866,775 |
| 10. | 3 | 2,975,860 | | | | | 5 | 0 | 0 | 148,793 | 2,827,067 |
| 11. | 6 | 7,694 | | | | | 10 | 0 | 0 | 769 | 6,925 |
| 12. | 8 | 26,867,387 | | 1,078,250 | 539,125 | | 20 | 0 | 0 | 5,481,302 | 21,386,085 |
| 13. | 8 Solar E | 638 | | | | | 20 | 0 | 0 | 128 | 510 |
| 14. | 10 | 21,495,422 | 254,344 | 3,179,620 | 1,589,810 | | 30 | 0 | 0 | 6,925,570 | 14,569,852 |
| 15. | 10.1 #4856 | 2,396 | | | | | 30 | N/A | N/A | 719 | 1,677 |
| 16. | 10.1 019-07 | 580 | | | | | 30 | N/A | N/A | 174 | 406 |
| 17. | 10.1 020-07 | 406 | | | | | 30 | N/A | N/A | 122 | 284 |
| 18. | 10.1 Dodge | 287 | | | | | 30 | N/A | N/A | 86 | 201 |
| 19. | 10.1 Ford E: | 287 | | | | | 30 | N/A | N/A | 86 | 201 |
| 20. | 10.1 Ford E: | 287 | | | | | 30 | N/A | N/A | 86 | 201 |
| 21. | 10.1 Vehicle | 822 | | | | | 30 | N/A | N/A | 247 | 575 |

| 1 Class number * See note 1 | Des- crip- tion | 9 UCC (column 2 plus column 3 plus or minus column 5 minus column 8) See note 8 | 10 Proceeds of disposition available to reduce the UCC of AIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0") | 11 Net capital cost additions of AIP acquired during the year (column 4 minus column 10) (if negative, enter "0") | 12 UCC adjustment for AIP acquired during the year (column 11 multiplied by the relevant factor) See note 9 | 13 UCC adjustment for non-AIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10 | 14 CCA rate % See note 11 | 15 Recapture of CCA See note 12 | 16 Terminal loss See note 13 | 17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14 | 18 UCC at the end of the year (column 9 minus column 17) |
|--|-----------------------|---|--|---|--|---|---|---|--|--|---|
| 200 | | | | | | 224 | 212 | 213 | 215 | 217 | 220 |
| 22. | 10.1 | Vehicle | 822 | | | | 30 | N/A | N/A | 247 | 575 |
| 23. | 12 | | 56,872,126 | | | 12,906,121 | 100 | 0 | 0 | 43,966,005 | 12,906,121 |
| 24. | 13 | Addict | 768,225 | | | | NA | 0 | 0 | 36,882 | 731,343 |
| 25. | 13 | Barrie I | 360,309 | | | | NA | 0 | 0 | 32,143 | 328,166 |
| 26. | 13 | PS Inc | 128,431 | | | | NA | 0 | 0 | 15,110 | 113,321 |
| 27. | 14 | Church | 33,531,823 | | | | NA | 0 | 0 | 2,023,631 | 31,508,192 |
| 28. | 14 | Dunda: | 44,338 | | | | NA | 0 | 0 | 4,509 | 39,829 |
| 29. | 14 | H1 Mid | 3,346,762 | | | | NA | 0 | 0 | 312,375 | 3,034,387 |
| 30. | 14 | Nebo F | 880,754 | | | | NA | 0 | 0 | 42,262 | 838,492 |
| 31. | 14 | Vansid | 6,493,079 | | | | NA | 0 | 0 | 310,431 | 6,182,648 |
| 32. | 14 | Winon: | 5,466,856 | | | | NA | 0 | 0 | 607,045 | 4,859,811 |
| 33. | 14.1 | | 155,908,194 | | | | 5 | 0 | 0 | 8,240,680 | 147,667,514 |
| 34. | 17 | | 862,965 | 43,929 | 21,965 | | 8 | 0 | 0 | 70,794 | 792,171 |
| 35. | 43.1 | | 35,780 | | | | 30 | 0 | 0 | 10,734 | 25,046 |
| 36. | 43.2 | PSI Sr | 2,131,287 | | 1,210,193 | 1,210,193 | 50 | 0 | 0 | 1,670,740 | 460,547 |
| 37. | 43.2 | Solar E | 7,296,808 | | | | 50 | 0 | 0 | 3,648,404 | 3,648,404 |
| 38. | 45 | | 225,187 | | | | 45 | 0 | 0 | 101,334 | 123,853 |
| 39. | 47 | | 1,726,727,316 | | 170,774,568 | 85,387,284 | 52,396,744 | 8 | 0 | 140,777,428 | 1,585,949,888 |
| 40. | 50 | | 10,196,401 | | 6,452,934 | 3,226,467 | | 55 | 0 | 7,382,577 | 2,813,824 |
| 41. | 52 | | | | | | 100 | 0 | 0 | | |
| 42. | 95 | | 72,350,671 | | | | 0 | 0 | 0 | | 72,350,671 |
| 43. | 95 | Solar E | 17,820 | | 17,820 | 8,910 | | 0 | 0 | | 17,820 |
| 44. | 14 | Pleasa | 6,539,873 | | | | NA | 0 | 0 | 453,640 | 6,086,233 |
| 45. | 1b | 2185 L | 6,548,644 | | 3,014,336 | 1,507,168 | | 6 | 0 | 483,349 | 6,065,295 |
| 46. | 1b | 55 Joh | 5,693,125 | | 1,287,736 | 643,868 | | 6 | 0 | 380,220 | 5,312,905 |
| 47. | 1 | GHESI | 2,345,019 | | | | | 4 | 0 | 93,801 | 2,251,218 |
| 48. | 1b | GHESI | 959,592 | | | | | 6 | 0 | 57,576 | 902,016 |
| 49. | 1b | GHESI | 27,595 | | | | | 6 | 0 | 1,656 | 25,939 |
| 50. | 1b | GHESI | 6,860 | | | | | 6 | 0 | 412 | 6,448 |
| 51. | 8 | GHESI | 5,701,191 | | 39,984 | 19,992 | | 20 | 0 | 1,144,237 | 4,556,954 |
| 52. | 10 | GHESI | 5,043 | | | | | 30 | 0 | 1,513 | 3,530 |
| 53. | 14.1 | GHESI | 1,830,325 | | | | | 7 | 0 | 128,123 | 1,702,202 |
| 54. | 14.1 | GHESI | 77,471 | | | | | 5 | 0 | 3,874 | 73,597 |

| 1 Class number * See note 1 | Des- crip- tion | 9 UCC (column 2 plus column 3 plus or minus column 5 minus column 8) See note 8 | 10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0") | 11 Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0") | 12 UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor) See note 9 | 13 UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10 | 14 CCA rate % See note 11 | 15 Recapture of CCA See note 12 | 16 Terminal loss See note 13 | 17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14 | 18 UCC at the end of the year (column 9 minus column 17) |
|--|-----------------------|---|---|---|--|---|---|---|--|---|--|
| 200 | | | | | | 224 | 212 | 213 | 215 | 217 | 220 |
| 55. | 14.1 GHESI | 32,767 | | | | | 5 | 0 | 0 | 1,638 | 31,129 |
| 56. | 17 GHESI | 2,893,471 | | | | | 8 | 0 | 0 | 231,478 | 2,661,993 |
| 57. | 43.2 GHESI | 3,273,062 | | | | | 50 | 0 | 0 | 1,636,531 | 1,636,531 |
| 58. | 42 GHESI | 133 | | | | | 12 | 0 | 0 | 16 | 117 |
| 59. | 1b Cityvie | 503,638 | | 503,638 | 251,819 | | 6 | 0 | 0 | 45,327 | 458,311 |
| Totals | | 3,139,791,844 | 3,233,468 | 188,792,495 | 95,001,345 | 65,302,865 | | | | 267,410,265 | 2,872,381,579 |

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

Attached Schedule with Total

Federal – Additions (property subject to subsection 1100(2) ITR)

Title Federal – Additions (property subject to subsection 1100(2) ITR)

Explanatory note

The taxpayer hereby elects pursuant to subsection 1101(5b.1) of the Income Tax Act Regulations of Canada, to include each eligible non-residential building acquired during the year in a separate prescribed class.

| Description | Operator (Note) | Amount |
|-----------------------|--------------------|-------------------|
| Cityview construction | | 503,638 00 |
| | + | |
| | Total | 503,638 00 |

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

Attached Schedule with Total

Federal – Additions (property subject to subsection 1100(2) ITR)

Title Federal – Additions (subject to subsection 1100(2) ITR)

Explanatory note

The taxpayer hereby elects pursuant to subsection 1101(5b.1) of the Income Tax Act Regulations of Canada, to include each eligible non-residential building acquired during the year in a separate prescribed class.

| Description | Operator (Note) | Amount |
|---|--------------------|---------------------|
| First floor, Third floor and lobby construction | | 3,014,336 00 |
| | + | |
| | Total | 3,014,336 00 |

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

Attached Schedule with Total

Federal – Additions (property subject to subsection 1100(2) ITR)

Title Federal – Additions (subject to subsection 1100(2) ITR)

Explanatory note

The taxpayer hereby elects pursuant to subsection 1101(5b.1) of the Income Tax Act Regulations of Canada, to include each eligible non-residential building acquired during the year in a separate prescribed class.

| Description | Operator (Note) | Amount |
|-----------------------|--------------------|---------------------|
| John St. construction | | 1,287,736 00 |
| | + | |
| | Total | 1,287,736 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.

- Note 1. 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. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).
- Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.
- Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.
- Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
- Note 5. 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.
- Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
 - an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).
- Also 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 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.
- Note 7. 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).
- Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:
- 2 1/3 for property in Classes 43.1 and 54;
 - 1 1/2 for property in Class 55;
 - 1 for property in Classes 43.2 and 53;
 - 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
 - 0.5 for all other property that is AIIP.
- Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.
- Note 11. 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 17.
- Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.
- Note 13. 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 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. 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; or
 - 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.
- Note 14. 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 paragraph 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.
 - Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
 - Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).





SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

| | | |
|---|-------------------------------|---|
| Name of corporation ALECTRA UTILITIES CORPORATION | Business Number [REDACTED] | Tax year end Year Month Day 2019-12-31 |
|---|-------------------------------|---|

- 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*.

| | 100 | 200 | 400 | 500 | 550 | 600 | 650 | 700 |
|--|--|------------------------------|--------------------------------|---------------------------------|----------------------------|------------------------------------|-------------------------------|-----------------------------|
| 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 |
| 1. Alectra Inc. | | [REDACTED] | 1 | | | | | |
| 2. Alectra Real Estate Holdings Inc. | | [REDACTED] | 2 | | | | | |
| 3. Horizon Solar Corp | | [REDACTED] | 3 | | | | | |
| 4. Alectra Energy Solutions Inc. | | [REDACTED] | 3 | | | | | |
| 5. Alectra Power Services Inc. | | [REDACTED] | 3 | | | | | |
| 6. Alectra Energy Services Inc. | | [REDACTED] | 3 | | | | | |
| 7. Util-Assist Inc. | | [REDACTED] | 3 | | | | | |
| 8. 2323855 Ontario Inc. | | [REDACTED] | 3 | | | | | |
| 9. Alectra Microgrid Services Master GI | | [REDACTED] | 3 | | | | | |
| 10. Alectra Microgrid Services Project G | | [REDACTED] | 3 | | | | | |

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.

Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated





CONTINUITY OF RESERVES

| | | |
|---|-------------------------------|--|
| Name of corporation ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year end Year Month Day 2019-12-31 |
|---|-------------------------------|--|

- 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 Shares of Collingwood PowerStream Utility Serv | 147,189 | | | 147,189 | |
| 2 | | | | | |
| Totals | 008 147,189 | 009 | | 147,189 | 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 \$ |
|--|---|---|--------|-----------|-----------------------------------|
| Reserve for doubtful debts <input type="checkbox"/> | 110 | 115 | | | 120 |
| Reserve for undelivered goods and services not rendered <input type="checkbox"/> | 130 | 135 | | | 140 |
| Reserve for prepaid rent <input type="checkbox"/> | 150 | 155 | | | 160 |
| Reserve for refundable containers <input type="checkbox"/> | 190 | 195 | | | 200 |
| Reserve for unpaid amounts <input type="checkbox"/> | 210 | 215 | | | 220 |
| Other tax reserves <input type="checkbox"/> | 230 | 235 | | | 240 |
| Totals | 270 | 275 | | | 280 |

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

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.



Attached Schedule with Total

Part 1 – Capital gains reserves – Federal – Deduct

Title Part 1 – Capital gains reserves – Federal – Deduct

Explanatory note

Reversal of 2018 capital gains reserve under 40(1)(a)(iii)(C) ITA

| Description | Operator (Note) | Amount |
|--|--------------------|-------------------|
| Total Capital Gain from Schedule 6 (2018) | | 5,387,115 00 |
| Proceeds payable after 2018 year-end (i.e., in 2019) | * | 368,329 00 |
| Proceeds of Disposition from Schedule 6 (2018) | / | 13,480,829 00 |
| | + | |
| | Total | 147,189 07 |

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.

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

| Description | Balance at the beginning of the year | Transfer on an amalgamation or the wind-up of a subsidiary | Add | Deduct | Balance at the end of the year |
|-------------------------------------|--------------------------------------|--|-------------------|------------------|--------------------------------|
| 1 Employee future benefits | 60,997,989 | 10,626,277 | 22,961,235 | | 94,585,501 |
| 2 Allowance for doubtful account: | 1,261,407 | 184,784 | | 181,711 | 1,264,480 |
| 3 Inventory obsolescence | | | | | |
| 4 Environmental liability | 878,634 | | | 878,634 | |
| 5 Vested sick leave | | | | | |
| 6 Accrued vacation pay | | | | | |
| 7 Legal claim provision | 100,000 | | | | 100,000 |
| 8 Other deferred credits | 1,252,501 | | | 1,252,501 | |
| 9 Transition Accrual | 2,546,641 | | | 683,688 | 1,862,953 |
| 10 Employee future benefits - Solar | | | | | |
| 11 Property Tax Provision - Solar | | | 55,870 | | 55,870 |
| Reserves from Part 2 of Schedule 13 | | | | | |
| Totals | 67,037,172 | 10,811,061 | 23,017,105 | 2,996,534 | 97,868,804 |

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.



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

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

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

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

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

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

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

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

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

Allocating the business limit

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

Enter the calendar year the agreement applies to **050** Year
2019

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 Association 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 | ALECTRA UTILITIES CORPORATION | | 1 | 500,000 | 100.0000 | 500,000 |
| 2 | Alectra Inc. | | 1 | 500,000 | | |
| 3 | Alectra Real Estate Holdings Inc. | | 1 | 500,000 | | |
| 4 | Horizon Solar Corp | | 1 | 500,000 | | |
| 5 | Alectra Energy Solutions Inc. | | 1 | 500,000 | | |
| 6 | Alectra Power Services Inc. | | 1 | 500,000 | | |
| 7 | Alectra Energy Services Inc. | | 1 | 500,000 | | |
| 8 | Util-Assist Inc. | | 1 | 500,000 | | |
| 9 | 2323855 Ontario Inc. | | 1 | 500,000 | | |
| 10 | Alectra Microgrid Services Master GP Inc. | | 1 | 500,000 | | |
| 11 | Alectra Microgrid Services Project GP (Georgian Bay) | | 1 | 500,000 | | |
| Total | | | | | 100.0000 | 500,000 A |

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

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

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

Special rules for business limit

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

T2 SCH 23 E (19)





FIRST-TIME FILER AFTER INCORPORATION, AMALGAMATION, OR WINDING-UP OF A SUBSIDIARY INTO A PARENT

| | | |
|---|-------------------------------|---|
| Name of corporation ALECTRA UTILITIES CORPORATION | Business Number [REDACTED] | Tax year end Year Month Day 2019-12-31 |
|---|-------------------------------|---|

This schedule must be filed by corporations for the first year of filing after incorporation, amalgamation, or by parent corporations filing for the first time after winding-up a subsidiary corporation(s) under section 88 of the *Income Tax Act* during the current taxation year.

Part 1 – Type of operation

100 For those corporations filing for the first time after incorporation or amalgamation, please identify the type of operation that applies to your corporation:

99 Other

Part 2 – First year of filing after amalgamation

For the first year of filing after an amalgamation, please provide the following information:

| | Name of predecessor corporation(s) | Business Number (If a corporation is not registered, enter "NR") |
|---|---|---|
| 1 | 200 ALECTRA UTILITIES CORPORATION | 300 [REDACTED] |
| 2 | GUELPH HYDRO ELECTRIC SYSTEMS INC. | [REDACTED] |

Part 3 – First year of filing after wind-up of subsidiary corporation(s)

For the parent corporation filing for the first time after winding-up a subsidiary corporation(s) under section 88 of the *Income Tax Act*, please provide the following information:

| Name of subsidiary corporation(s) | Business Number (If a corporation is not registered, enter "NR") | Commencement date of wind-up (YYYY/MM/DD) | Date of wind-up (YYYY/MM/DD) |
|-----------------------------------|---|--|---------------------------------|
| 400 | 500 | 600 | 700 |
| | | | |





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; or
 - if you are claiming:
 - the **Ontario Research and Development Tax Credit**;
 - the **Ontario Innovation Tax Credit**.
- Unless otherwise stated, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- 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);
 - 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 (Parts 18 to 20);
 - apprenticeship job creation expenditures (Parts 21 to 23); and
 - child care spaces expenditures (Parts 24 to 28).
 - Expenditures related to child care spaces incurred after March 21, 2017 no longer qualify for the investment tax credit. If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.
- 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* and read Information Circular IC78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see guide T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

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 when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), 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** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property 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 or capital costs.
- Expenditures for pre-production mining, apprenticeship, or child care space for an 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 or capital costs.
- 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*.
- 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 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. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). 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.



Detailed information (continued)

- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

| | Specified percentage |
|--|-----------------------------|
| Investments | |
| Qualified property acquired primarily for use in Atlantic Canada | 10 % |
| Qualified resource property acquired primarily for use in Atlantic Canada and acquired: | |
| – after March 28, 2012, and before 2014 | 10 % |
| – after 2013 and before 2016 | 5 % |
| – after 2015* | 0 % |
| Expenditures | |
| 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: | |
| – before 2014** | 20 % |
| – after 2013** | 15 % |
| If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012 | 10 % |
| If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures: | |
| – after March 28, 2012, and before 2013 | 10 % |
| – in 2013 | 5 % |
| – after 2013 | 0 % |
| If you are a taxable Canadian corporation that incurred pre-production mining development expenditures***: | |
| – after March 28, 2012, and before 2014 | 10 % |
| – in 2014 | 7 % |
| – in 2015 | 4 % |
| – after 2015 | 0 % |
| If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment | 10 % |
| If you incurred expenditures after March 18, 2007 and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children | 25 % |
| * A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a phase of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of specified percentage in subsection 127(9) for more information. | |
| ** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013. | |
| *** A transitional relief rate may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraphs (k)(ii) and (iii) of the definition of specified percentage in subsection 127(9) for more information. | |

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? **101** 1 Yes 2 No

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:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- 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 **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

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 **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

The 100% refund will not be available to a 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 or more persons exempt from Part I tax under section 149;
- Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
- any combination of persons referred to in a) or b) above.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

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** 1 Yes 2 No

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* **103** _____
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.
Include 80% of the contributions made **after** 2012. For contributions made **before** 2013, include all of the contributions.

Qualified Property and Qualified Resource Property

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

| Capital cost allowance class number 105 | Description of investment 110 | Date available for use 115 | Location used in Atlantic Canada (province) 120 | Amount of investment 125 |
|--|---|--------------------------------------|---|------------------------------------|
| | | | | |
| Total of investments for qualified property and qualified resource property | | | | |

A1

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 | | | B1 |
| Credit deemed as a remittance of co-op corporations | 210 | | |
| Credit expired | 215 | | |
| Subtotal (line 210 plus line 215) | | ▶ | C1 |
| ITC at the beginning of the tax year (amount B1 minus amount C1) | | 220 | |
| Credit transferred on an amalgamation or the wind-up of a subsidiary | 230 | | |
| ITC from repayment of assistance | 235 | | |
| Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) | x | 10 % = 240 | |
| Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) | x | 5 % = 242 | |
| Credit allocated from a partnership | 250 | | |
| Subtotal (total of lines 230 to 250) | | ▶ | D1 |
| Total credit available (line 220 plus amount D1) | | | E1 |
| Credit deducted from Part I tax | 260 | | |
| Credit carried back to previous years (amount H1 in Part 6) | | a | |
| Credit transferred to offset Part VII tax liability | 280 | | |
| Subtotal (total of line 260, amount a, and line 280) | | ▶ | F1 |
| Credit balance before refund (amount E1 minus amount F1) | | | G1 |
| Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7) | | 310 | |
| ITC closing balance of investments from qualified property and qualified resource property (amount G1 minus line 310) | | 320 | |

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

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

| | <table border="1" style="border-collapse: collapse; width: 100%;"> <tr> <th style="padding: 2px;">Year</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Day</th> </tr> <tr> <td style="height: 15px;"></td> <td></td> <td></td> </tr> <tr> <td style="height: 15px;"></td> <td></td> <td></td> </tr> <tr> <td style="height: 15px;"></td> <td></td> <td></td> </tr> </table> | Year | Month | Day | | | | | | | | | | | | |
|-----------------------|---|------------------------------|------------|-----|----|--|--|--|--|--|--|--|--|--|--|--|
| 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 | | | H1 | | | | | | | | | | | |
| | | Enter at amount a in Part 5. | | | | | | | | | | | | | | |

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

| | | | |
|--|--|--|----|
| Current-year ITCs (total of lines 240, 242, and 250 in Part 5) | | | I1 |
| Credit balance before refund (from amount G1 in Part 5) | | | J1 |
| Refund (40 % of amount I1 or J1, whichever is less) | | | K1 |

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

| | | | |
|--|-----------|---|----------------------|
| Current expenditures (from line 557 on Form T661) | 2,450,615 | | |
| Contributions to agricultural organizations for SR&ED | | | |
| Deduct: | | | |
| Government assistance, non-government assistance, or contract payment | | | |
| 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.)* | | + | |
| Current expenditures (line 557 on Form T661 plus line 103 in Part 3)* | 2,450,615 | | 350 2,450,615 |
| Capital expenditures incurred before 2014 (from line 558 on Form T661)** | | | 360 |
| Repayments made in the year (from line 560 on Form T661) | | | 370 |
| Qualified SR&ED expenditures (total of lines 350 to 370) | | | 380 2,450,615 |

* 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.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures. Capital cost allowance can be claimed for depreciable property acquired for use in SR&ED after 2013.

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:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- 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** 1 Yes 2 No

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398. If you answered **yes**, the amounts for associated corporations will be determined on Schedule 49.

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

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**

* 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 10 – SR&ED expenditure limit for a CCPC

| | | | |
|---|--------|--------------------------------|----|
| For a stand-alone (not associated) corporation: | | \$ 8,000,000 | |
| Taxable income for the previous tax year (line 390 in Part 9) or \$500,000, whichever is more | x 10 = | | A2 |
| Excess (\$8,000,000 minus amount A2 if the taxation year ends before March 19, 2019; otherwise, enter \$3,000,000) (if negative, enter "0")* | | | B2 |
| \$ 40,000,000 minus line 398 in Part 9 | b | | |
| Amount b divided by \$ 40,000,000 | | | C2 |
| Expenditure limit for the stand-alone corporation (amount B2 multiplied by amount C2)** | | | D2 |
| For an associated corporation: | | | |
| If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49** | | 400 | E2 |
| If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows: | | | |
| Amount D2 or E2 | x | Number of days in the tax year | F2 |
| | | 365 = | |
| Your SR&ED expenditure limit for the year (enter amount D2, E2, or F2, whichever applies) | | 410 | |

* For taxation years ending after March 18, 2019, the taxable income is no longer taken into account in the SR&ED expenditure limit calculation. For more information, consult the Help (F1).

** Amount D2 or E2 cannot be more than \$3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

| | | | | | | | | | |
|---|---|--|-----------|------|-------|----------------|----|----------------|----|
| Current expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less* | | 420 | x | 35 % | = | _____ | G2 | | |
| Line 350 minus line 410 (if negative, enter "0") | | 430 | 2,450,615 | | | | | | |
| Amount from line 430 | x | Number of days in the tax year before 2014 | x | 20% | = | _____ | c | | |
| Amount from line 430** | x | Number of days in the tax year after 2013 | x | 15 % | = | _____ | d | | |
| | | Number of days in the tax year | 365 | | | 367,592 | | | |
| Subtotal (amount c plus amount d) | | | | | | 367,592 | H2 | | |
| Line 410 minus line 350 (if negative, enter "0") | | | | | | | | e | |
| Capital expenditures (line 360 in Part 8) or amount e, whichever is less* | | 440 | x | 35 % | = | _____ | I2 | | |
| Line 360 minus amount e (if negative, enter "0") | | 450 | | | | | | | |
| Amount from line 450 | x | Number of days in the tax year before 2014 | x | 20% | = | _____ | f | | |
| Amount from line 450** | x | Number of days in the tax year after 2013 | x | 15 % | = | _____ | g | | |
| | | Number of days in the tax year | 365 | | | | | | |
| Subtotal (amount f plus amount g) | | | | | | _____ | J2 | | |
| 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*** | x | 460 | 35 % | = | _____ | h | | | |
| Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred before 2015 | x | 480 | 20 % | = | _____ | i | | | |
| Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred after 2014 | x | 490 | 15 % | = | _____ | j | | | |
| Subtotal (add amounts h to j) | | | | | | _____ | K2 | | |
| Current-year SR&ED ITC (total of amounts G2 to K2; enter on line 540 in Part 12) | | | | | | | | 367,592 | L2 |

* For corporations that are not CCPCs, enter "0" for amounts G2 and I2.

** For tax years that end after 2013, the general SR&ED ITC rate is reduced from 20% to 15%, except that, for 2014 tax years that start **before** 2014, the reduction is pro-rated based on the number of days in the tax year that are **after** 2013. For tax years that have a start date **after** 2013, **multiply** the amount by 15%.

*** If you were a Canadian-controlled private corporation (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 14 – Refund of ITC for qualifying corporations – SR&ED

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

Is the corporation an excluded corporation as defined under subsection 127.1(2)? **650** 1 Yes 2 No

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11) I

Refundable credits (amount I or amount R2 in Part 12, whichever is less)* T2

Amount T2 or amount G2 in Part 11, whichever is less U2

Net amount (amount T2 **minus** amount U2; if negative, enter "0") V2

Amount V2 **multiplied** by 40 % W2

Amount U2 X2

Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12) Y2

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

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

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

Credit balance before refund (amount R2 in Part 12) Z2

Amount Z2 or amount G2 in Part 11, whichever is less AA2

Net amount (amount Z2 **minus** amount AA2; if negative, enter "0") BB2

Amount BB2 or amount I2 in Part 11, whichever is less CC2

Amount CC2 **multiplied** by 40 % DD2

Amount AA2 EE2

Refund of ITC (amount DD2 **plus** amount EE2) FF2

Enter FF2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

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

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

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

Note:

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

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

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

Calculation 1 – If you meet all of the above conditions

| | | |
|--|--|--|
| Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the note above 700 | Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710 | Amount from column 700 or 710, whichever is less |
| Subtotal | | |
| Enter at amount C3 in Part 17. | | A3 |

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 on line B3.

| A | B | C | D | E | F |
|--|---|--|---|---|--|
| Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement 720 | Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition 730 | Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) 740 | Amount determined by the formula $(A \times B) - C$ | ITC earned by the transferee for the qualified expenditures that were transferred 750 | Amount from column D or E, whichever is less |
| Subtotal (total of column F) | | | | | |
| Enter at amount D3 in Part 17. | | | | | B3 |

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

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 E3 in Part 17.

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

| | | | |
|---|-------|-------|----|
| Recaptured ITC from calculation 1, amount A3 in Part 16 | ..... | _____ | C3 |
| Recaptured ITC from calculation 2, amount B3 in Part 16 | ..... | _____ | D3 |
| Recaptured ITC from calculation 3, line 760 in Part 16 | ..... | _____ | E3 |
| Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) | ..... | ===== | F3 |
| Enter at amount A8 in Part 29. | | | |

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

| | |
|---------------------------------------|--------------------------------------|
| List of minerals 800 | Project name 805 |
| Mineral title 806 | Mining division 807 |

Pre-production mining expenditures*

Exploration:

Pre-production mining expenditures that you incurred in the tax year (**before** January 1, 2014) for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

| | |
|---|------------------|
| Prospecting | 810 _____ |
| Geological, geophysical, or geochemical surveys | 811 _____ |
| Drilling by rotary, diamond, percussion, or other methods | 812 _____ |
| Trenching, digging test pits, and preliminary sampling | 813 _____ |

Development:

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

| | |
|--|------------------|
| Clearing, removing overburden, and stripping | 820 _____ |
| Sinking a mine shaft, constructing an adit, or other underground entry | 821 _____ |

Other pre-production mining expenditures incurred in the tax year:

| Description 825 | Amount 826 |
|---------------------------|----------------------|
| | |
| Total of column 826 | ▶ _____ A4 |

Total pre-production mining expenditures (total of lines 810 to 821 and amount A4) **830** _____

Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to on line 830 above **832** _____

Excess (line 830 **minus** line 832) (if negative, enter "0") **B4** _____

Repayments of government and non-government assistance **835** _____

Pre-production mining expenditures (amount B4 **plus** line 835) **C4** _____

* A pre-production mining expenditure is defined under subsection 127(9).

Part 19 – Current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year D4

Credit deemed as a remittance of co-op corporations **841**

Credit expired **845**

Subtotal (line 841 plus line 845) **850** E4

ITC at the beginning of the tax year (amount D4 minus amount E4) **850**

Credit transferred on an amalgamation or the wind-up of a subsidiary **860**

Pre-production mining expenditures*
incurred before January 1, 2013
(applicable part from amount C4 in Part 18) .. **870** x 10 % = _____ m

Pre-production mining exploration
expenditures** incurred in 2013
(applicable part from amount C4 in Part 18) .. **872** x 5 % = _____ n

Pre-production mining development
expenditures incurred in 2014
(applicable part from amount C4 in Part 18) .. **874** x 7 % = _____ o

Pre-production mining development
expenditures incurred in 2015
(applicable part from amount C4 in Part 18) .. **876** x 4 % = _____ p

Current year credit (total of amounts m to p) **880** F4

Total credit available (total of lines 850, 860, and amount F4) G4

Credit deducted from Part I tax **885**

Credit carried back to previous years (amount I4 in Part 20) q

Subtotal (line 885 plus amount q) H4

ITC closing balance from pre-production mining expenditures (amount G4 minus amount H4) **890**

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

** Also include pre-production mining development expenditures incurred in 2015 if the expense is described in subparagraph (a)(ii) of the definition **pre-production mining expenditure** in subsection 127(9) of the Act because of paragraph (g.4) of the definition **Canadian exploration expense** in subsection 66.1(6) of the Act.

Part 20 – Request for carryback of credit from pre-production mining expenditures

| | Year | Month | Day | | |
|-----------------------|------|-------|-----|-------|---|
| 1st previous tax year | | | | | Credit to be applied 921 |
| 2nd previous tax year | | | | | Credit to be applied 922 |
| 3rd previous tax year | | | | | Credit to be applied 923 |
| | | | | | Total of lines 921 to 923 |
| | | | | | Enter at amount q in Part 19. 14 |

Apprenticeship Job Creation

Part 21 – 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** 1 Yes 2 No

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

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

| | A Contract number (SIN or name of apprentice) | B Name of eligible trade | C Eligible salary and wages* | D Column C x 10 % | E Lesser of column D or \$ 2,000 |
|-----|---|-----------------------------|------------------------------------|-------------------------|---|
| | 601 | 602 | 603 | 604 | 605 |
| 3. | | | | | |
| 4. | | | | | |
| 5. | | | | | |
| 6. | | | | | |
| 7. | | | | | |
| 8. | | | | | |
| 9. | | | | | |
| 10. | | | | | |
| 11. | | | | | |
| 12. | | | | | |
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| 15. | | | | | |
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| 37. | | | | | |
| 38. | | | | | |
| 39. | | | | | |
| 40. | | | | | |
| 41. | | | | | |
| 42. | | | | | |
| 43. | | | | | |
| 44. | | | | | |

Total current-year credit (total of column E) 74,649 A5
Enter on line 640 in Part 22.

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

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007 and before March 22, 2017* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures.

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

| Capital cost allowance class number | Description of investment | Date available for use | Amount of investment |
|--|---------------------------|------------------------|----------------------|
| 665 | 675 | 685 | 695 |
| 1. | | | |
| Total cost of depreciable property from the current tax year (total of column 695) | | | 715 |

| | | |
|---|------------|----|
| Specified child care start-up expenditures from the current tax year | 705 | |
| Total gross eligible expenditures for child care spaces (line 715 plus line 705) | | A6 |
| Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6 | 725 | |
| Excess (amount A6 minus line 725) (if negative, enter "0") | | B6 |
| Repayments by the corporation of government and non-government assistance | 735 | |
| Total eligible expenditures for child care spaces (amount B6 plus line 735) | 745 | |

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of \$10,000 per child care space created in a licensed child care facility.

| | | | | | |
|---|---|------|--------|---|----|
| Eligible expenditures (from line 745 in Part 24) | x | 25 % | = | | C6 |
| Number of child care spaces | | x \$ | 10,000 | = | D6 |
| ITC from child care spaces expenditures (amount C6 or D6, whichever is less) | | | | | E6 |

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

| | | | |
|---|--------------------------------------|-----|----|
| ITC at the end of the previous tax year | | | F6 |
| Credit deemed as a remittance of co-op corporations | 765 | | |
| Credit expired after 20 tax years | 770 | | |
| | Subtotal (line 765 plus line 770) | | G6 |
| ITC at the beginning of the tax year (amount F6 minus amount G6) | | 775 | |
| Credit transferred on an amalgamation or the wind-up of a subsidiary | 777 | | |
| Total current-year credit (amount E6 in Part 25) | 780 | | |
| Credit allocated from a partnership | 782 | | |
| | Subtotal (total of lines 777 to 782) | | H6 |
| Total credit available (line 775 plus amount H6) | | | I6 |
| Credit deducted from Part I tax | 785 | | |
| Credit carried back to previous years (amount K6 in Part 27) | | s | |
| | Subtotal (line 785 plus amount s) | | J6 |
| ITC closing balance from child care spaces expenditures (amount I6 minus amount J6) | | 790 | |

Part 27 – Request for carryback of credit from child care space expenditures

| | Year | Month | Day | | | |
|-----------------------|------|-------|-----|-------------------------------|-----|----|
| 1st previous tax year | 2018 | 12 | 31 | Credit to be applied | 941 | |
| 2nd previous tax year | 2018 | 06 | 30 | Credit to be applied | 942 | |
| 3rd previous tax year | 2017 | 12 | 31 | Credit to be applied | 943 | |
| | | | | Total of lines 941 to 943 | | K6 |
| | | | | Enter at amount s in Part 26. | | |



Taxable Capital Employed in Canada – Large Corporations

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than \$10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

| | | | | |
|---|------------|---------------|---|-----------------|
| Reserves that have not been deducted in calculating income for the year under Part I | 101 | 145,369,613 | | |
| Capital stock (or members' contributions if incorporated without share capital) | 103 | 728,355,958 | | |
| Retained earnings | 104 | 170,076,189 | | |
| Contributed surplus | 105 | | | |
| Any other surpluses | 106 | 825,874,529 | | |
| Deferred unrealized foreign exchange gains | 107 | | | |
| All loans and advances to the corporation | 108 | 2,266,602,067 | | |
| 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) | | 4,136,278,356 | ▶ | 4,136,278,356 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.



Part 1 – Capital (continued)

Subtotal A (from page 1) 4,136,278,356 A

Deduct the following amounts:

| | | |
|--|---------------------------------|----------------------|
| Deferred tax debit balance at the end of the year | 121 | _____ |
| Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year | 122 | _____ |
| To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year. | 123 | _____ |
| Deferred unrealized foreign exchange losses at the end of the year | 124 | _____ |
| | Subtotal (add lines 121 to 124) | <u>_____</u> B |
| Capital for the year (amount A minus amount B) (if negative, enter "0") | 190 | <u>4,136,278,356</u> |

Part 2 – Investment allowance

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

| | | |
|---|------------|--------------|
| A share of another corporation | 401 | _____ |
| A loan or advance to another corporation (other than a financial institution) | 402 | _____ |
| A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution) | 403 | _____ |
| Long-term debt of a financial institution | 404 | _____ |
| A dividend payable on a share of the capital stock of another corporation | 405 | _____ |
| A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1) | 406 | _____ |
| An interest in a partnership (see note 2 below) | 407 | _____ |
| Investment allowance for the year (add lines 401 to 407) | 490 | <u>_____</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>4,136,278,356</u> C |
| Deduct: Investment allowance for the year (line 490) | _____ | _____ D |
| Taxable capital for the year (amount C minus amount D) (if negative, enter "0") | 500 | <u>4,136,278,356</u> |

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in calculating income for the year under Part I

Title Part 1 – Reserves that have not been deducted in calculating income for th

| Description | Operator (Note) | Amount |
|---------------------------------------|--------------------|-----------------------|
| Schedule 13 - non-deductible reserves | | 97,868,804 00 |
| Deferred tax liability | + | 47,500,809 00 |
| | Total | 145,369,613 00 |

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

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

| Description | Operator (Note) | Amount |
|---|-----------------|-------------------------|
| Due to related parties (GIFI 2860) | | 225,564,306 00 |
| Customer deposits liability (GIFI 2961) | + | 74,169,504 00 |
| Current portion of loans and borrowings (GIFI 2700) | + | 45,667,940 00 |
| Long term loans from parent (GIFI 3300) | + | 1,921,200,317 00 |
| | + | |
| | Total | 2,266,602,067 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.



Calculation of Parts IV.1 and VI.1 Taxes

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

- Use this schedule to calculate a corporation's Part IV.1 tax for dividends received on taxable preferred shares and taxable restricted financial institution (RFI) shares, and its Part VI.1 tax for dividends paid on short-term preferred shares and taxable preferred shares.
- Use this schedule to elect under subsection 191.2(1) to pay Part VI.1 tax at a rate of 40% on taxable preferred shares. This rate would apply to all future dividends paid on that class or series of shares.
- All legislative references are to the federal Income Tax Act and Income Tax Regulations.
- **Restricted financial institution, taxable RFI share, taxable preferred share, and short-term preferred share** are terms defined in subsection 248(1).
- If Part IV.1 or VI.1 taxes are payable, file one completed copy of this schedule with your T2 Corporation Income Tax Return no later than six months after the end of the tax year. If you are making an election under subsection 191.2(1), see subsection 191.2(1) of the Act for information on the period in which to make the election.
- For corporations without taxable income that have Part IV.1 or VI.1 taxes payable and that have a permanent establishment in more than one jurisdiction, complete only columns A, B, and D in Part 1 of Schedule 5, Tax Calculation Supplementary – Corporations.
- For Part IV.1 tax, an excepted dividend is a dividend as described in section 187.1 and subsections 191(4) and 191(5).
- For Part VI.1 tax, an excluded dividend is a dividend as described in subsections 191(1), 191(4), 191(5), and 191(6).
- For more information, see the T2 Corporation Income Tax Guide.

Part 1 – Dividend allowance

| | | |
|---|-----------|-----|
| Basic dividend allowance | 500,000 | 1A |
| Taxable dividends (other than excluded dividends) paid in the calendar year immediately preceding the calendar year in which the tax year ended. These dividends are on taxable preferred shares or shares that would be taxable preferred shares if they were issued after June 18, 1987, and were not grandfathered shares (see point 1 in Part 2 below if the corporation is associated) | 8,701,489 | 1B |
| | 1,000,000 | 1C |
| Excess (amount 1B minus amount 1C) (if negative, enter "0") | 7,701,489 | 110 |
| Dividend allowance (amount 1A minus line 110) (if negative, enter "0") | 7,701,489 | 115 |

Part 2 – Agreement among associated corporations to allocate the dividend allowance

| | | |
|--|-----|---|
| Date filed (do not use this area) | 116 | Year Month Day |
| Is this an amended agreement? | 117 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Calendar year to which the agreement applies | 118 | Year 2019 |

1. Enter the total of non-excluded dividends paid by all associated corporations at amount 1B in Part 1.
2. Allocate the dividend allowance (line 115 above) among associated corporations in column 140, as shown below.
3. Apply the special rules provided under paragraph 191.1(6)(b) if a corporation has two or more tax years ending in the same calendar year during which it is associated with another taxable Canadian corporation that has a tax year ending in that calendar year.
4. If an associated corporation has more than one tax year ending in a calendar year, it has to file an agreement for each of these tax years.
5. Attach additional schedules if more space is needed.

Allocation of dividend allowance

| Name of each associated corporation | Business number (If a corporation is not registered, enter "NR") | Dividend allowance allocated |
|---|---|------------------------------|
| 120 | 130 | 140 |
| ALECTRA UTILITIES CORPORATION | [REDACTED] | |
| Alectra Inc. | [REDACTED] | |
| Alectra Real Estate Holdings Inc. | [REDACTED] | |
| Horizon Solar Corp | [REDACTED] | |
| Alectra Energy Solutions Inc. | [REDACTED] | |
| Alectra Power Services Inc. | [REDACTED] | |
| Alectra Energy Services Inc. | [REDACTED] | |
| Util-Assist Inc. | [REDACTED] | |
| 2323855 Ontario Inc. | [REDACTED] | |
| Alectra Microgrid Services Master GP Inc. | [REDACTED] | |

Allocation of dividend allowance

| Name of each associated corporation 120 | Business number (If a corporation is not registered, enter "NR") 130 | Dividend allowance allocated 140 |
|---|---|--|
| Alectra Microgrid Services Project GP (Georg | [REDACTED] | |
| Total (cannot be more than amount on line 115) | | |

Part 3 – Part VI.1 tax payable

Complete the calculation of the dividend allowance in Part 1.

Dividend allowance: amount on line 115 (from Part 1) or, if associated, the total amount allocated on line 140 (from Part 2) . . . **210** _____

Note: If the tax year is less than 51 weeks, prorate the dividend allowance based on the number of days in the tax year divided by 365. Enter this amount on line 210 instead of the amount from line 115 or 140.

1. Taxable dividends (other than excluded dividends) paid by the corporation in the year on short-term preferred shares **220** _____
 Line 210 or 220, whichever is less _____ 3A
 Line 220 **minus** amount 3A _____ 3B x 40 % = _____ 3C

2. Taxable dividends (other than excluded dividends) paid by the corporation in the year on taxable preferred shares (other than short-term preferred shares) of all classes for which the corporation **is** making an election under subsection 191.2(1) **230** _____
 Dividend allowance (line 210) _____ 3D
 Amount 3A _____ 3E
 Net amount (amount 3D **minus** amount 3E) _____ 3F
 Line 230 or amount 3F, whichever is less _____ 3G
 Line 230 **minus** amount 3G _____ 3H x 40 % = _____ 3I

3. Taxable dividends (other than excluded dividends) paid by the corporation in the year on taxable preferred shares (other than short-term preferred shares) of all classes for which the corporation is **not** making an election under subsection 191.2(1) **240** _____
 Dividend allowance (line 210) _____ 3J
 Amount 3A _____ 3K
 Amount 3G _____ 3L
 Subtotal (amount 3K **plus** amount 3L) _____ 3M
 Net amount (amount 3J **minus** amount 3M) _____ 3N
 Line 240 or amount 3N, whichever is less _____ 3O
 Line 240 **minus** amount 3O _____ 3P x 25 % = _____ 3Q

4. Complete this calculation if the corporation has made an agreement under section 191.3 to pay all or part of a related corporation's Part VI.1 tax otherwise payable for the year (complete and file Schedule 45).
 Part VI.1 tax transferred from a related corporation **250** _____ 1,414,848
 Subtotal (**add** amounts 3C, 3I, 3Q, and line 250) _____ 1,414,848 3R
 Part VI.1 tax transferred to a related corporation **260** _____
Part VI.1 tax payable (amount 3R **minus** line 260) **270** _____ 1,414,848

Enter amount from line 270 on line 724 of the T2 return.

Note: Part VI.1 tax payable has the same instalment requirements and balance due date as Part I tax payable.

Part 4 – Part IV.1 tax payable

This tax does not apply to dividends received by financial intermediary corporations or corporations that were private corporations at the time the dividends were received. Part IV.1 tax applies only if the dividend in question was deductible under section 112 or 113 or under subsection 138(6) or 115(1). Part IV.1 tax payable is due on or before the balance due date of the corporation or the restricted financial institution for a tax year.

| | | |
|---|------------|-------|
| Taxable dividends (other than excepted dividends) received in the year on taxable preferred shares [other than a share of a class for which the corporation has made an election under subsection 191.2(1)] | 310 | _____ |
| Taxable dividends (other than excepted dividends) received in the year by a restricted financial institution on taxable RFI shares (see section 187.3) | 320 | _____ |
| Total taxable dividends subject to Part IV.1 tax (line 310 plus line 320) | 330 | _____ |
| Part IV.1 tax payable (line 330 multiplied by 10 %) | 340 | _____ |
| Enter amount from line 340 on line 716 of the T2 return. | | |

Part IV tax reduction

| | | |
|---|------------|-------------------------|
| Portion of taxable dividends included on line 330 that is also subject to Part IV tax | 350 | _____ |
| Portion of taxable dividends included on line 350 received from connected corporations | 370 | _____ |
| Part IV tax on taxable dividends reported on line 370 | 380 | _____ x 30 % = _____ 4A |
| Enter amount 4A at amount 2F of Schedule 3, Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculations. | | |
| Portion of taxable dividends included on line 350 received from non-connected corporations | 390 | _____ x 10 % = _____ 4B |
| Reduction of Part IV tax otherwise payable (amount 4A plus amount 4B) | 360 | _____ |
| Enter amount from line 360 on line 320 of Schedule 3. | | |
| Eligible taxable dividends included on line 390 | 400 | _____ x 10 % = _____ 4C |
| Enter amount 4C at amount 2I of Schedule 3. | | |
| Part IV tax reduction of non-eligible taxable dividends received from non-connected corporations (amount 4B minus amount 4C) | | _____ 4D |
| Enter amount 4D at amount T of the T2 return. | | |





AGREEMENT RESPECTING LIABILITY FOR PART VI.1 TAX

- Use this schedule to transfer all or a part of the Part VI.1 tax liability of a corporation (transferor corporation) to a related taxable Canadian corporation (transferee corporation) (section 191.3). Such transfers are beneficial where the transferor corporation does not have enough Part I tax to use the deduction for Part VI.1 tax under paragraph 110(1)(k).
- The transferee corporation has to be related to the transferor corporation throughout a tax year of the transferor corporation and throughout the last tax year of the transferee corporation ending by the end of that tax year of the transferor corporation. Corporations that are related only because of a right referred to in paragraph 251(5)(b) cannot make this agreement. The Part VI.1 tax liability cannot be transferred if the two corporations are related only by virtue of being controlled by the federal or a provincial or territorial government.
- An agreement or amended agreement has to be filed by the transferor corporation and the transferee corporation:
 - no later than six months after the end of the transferor's tax year for which the Part VI.1 tax would otherwise be payable; or
 - no later than 90 days after the mailing of a notice of assessment of Part I or Part VI.1 tax payable (or notification that no tax is payable) to either corporation for the tax year for which the agreement is filed.
- The transferor and the transferee corporations have to attach certified copies of the resolutions of the directors (or the documents of persons legally entitled to administer the affairs of the corporation) authorizing such an agreement.
- The transferee corporation has to include the amount of tax specified in this agreement in its Part VI.1 tax payable. The transferor corporation will deduct this amount from its Part VI.1 tax otherwise payable. Both corporations remain jointly and severally liable to pay the tax specified in this agreement, including any interest and penalties on this amount of tax.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Agreement

Date filed (do not use this area) **101** Year Month Day

It is hereby agreed that Part VI.1 tax in the amount of **105** 1,414,848 is transferred from the transferor corporation to the related transferee corporation(s).

| | | |
|---|--|---|
| 110 Name of transferor corporation Alectra Inc. | 115 Business Number [REDACTED] | 120 Tax year-end Year Month Day 2019-12-31 |
|---|--|---|

| | 225 Name of transferee corporation(s) | 230 Business Number | 233 Part VI.1 tax transferred \$ | 235 Tax year-end to which this agreement applies (YYYY/MM/DD) |
|----|--|----------------------------|--|---|
| 1. | ALECTRA UTILITIES CORPORATION | [REDACTED] | 1,414,848 | 2019-12-31 |
| 2. | | | | |

Total (cannot be more than the Part VI.1 tax on line 105) 1,414,848



AGREEMENT RESPECTING LIABILITY FOR PART VI.1 TAX

THIS AGREEMENT is dated June 18th, 2020

BETWEEN:

ALECTRA INC., a corporation incorporated under the laws of the province of Ontario

(the “**Transferor**”)

- and –

ALECTRA UTILITIES CORPORATION, a corporation incorporated under the laws of the province of Ontario

(the “**Transferee**”)

CONTEXT:

- A.** The Transferor paid \$5,659,393 in dividends to its Class S Preferred shareholders in fiscal 2019, due to which it will incur Part VI.1 tax liability u/s 191.1(1) of ITA in the amount of \$1,414,848 on filing its income tax return for taxation year ending December 31, 2019.
- B.** The Transferor, being in a loss position for tax purposes, will be unable to realize relief from Part I tax u/s 110(1)(k) of ITA, which allows the deduction of 3.5 x Part VI.1 liability from the taxpayer’s taxable income.
- C.** Transferor is entitled u/s 191.3 of ITA to transfer its liability under Part VI.1 to a related corporation. Transferee, being a wholly owned subsidiary of Transferor, satisfies the definition of a related corporation u/s 251(2)(b)(i) of ITA.
- D.** Transferee will have sufficient taxable income on its income tax filing for taxation year ending December 31, 2019 to avail relief from Part I tax u/s 110(1)(k) of ITA.
- E.** Both Transferor and Transferee have agreed to the transfer of Part VI.1 tax liability from Transferor to Transferee

DEFINITIONS:

“**Agreement**” means this agreement and all schedules and amendments to this Agreement

“**ITA**” means the *Income Tax Act* (Canada).

“**Parties**” means the Transferor and the Transferee, and “**Party**” means either one of them.

“**Tax leakage**” means any amount of additional tax liability arising for the Transferee as a direct result of the transfer of Part VI.1 tax liability from Transferor to Transferee under this agreement.

“**u/s**” means under one or more section, subsection, paragraph or subparagraph of ITA.

TRANSFER OF PART VI.1 TAX LIABILITY:

1. Transferor has agreed to transfer to Transferee, and Transferee has agreed to receive from Transferor the Transferor’s tax liability of \$1,414,848 under Part VI.1 of the ITA in respect of taxation year ending December 31, 2019.
2. Transferee has received fair and adequate consideration from Transferor for any tax leakage that may arise on Transferee’s income tax return filing for taxation year ending December 31, 2019.
3. Execution and delivery of this Agreement by facsimile transmission, e-mail or functionally equivalent electronic means will constitute, for purposes of this Agreement, delivery of an executed original and will be binding upon the Party whose signature appears on the transmitted copy.
4. This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be deemed to be an original, and those counterparts will together constitute one and the same instrument.
5. Each of the parties has executed this Agreement as of the date noted at the beginning of the agreement through its duly authorized officers and/or executives, who are legally entitled to administer the affairs of each respective party to this Agreement.

[Signature page follows.]

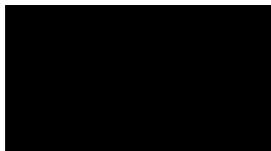
Each of the Parties has executed this Agreement as of the date noted at the beginning of the Agreement.

ALECTRA INC.



Name: Danielle Diaz
Per: Authorized Signatory

ALECTRA UTILITIES CORPORATION



Per: Authorized Signatory

ALECTRA UTILITIES CORPORATION (the "Corporation")**OFFICER'S CERTIFICATE**

I, Dennis Nolan, General Counsel & Secretary of the Corporation, hereby certify that the following is a true copy of the resolution approved by the Board of Directors of Alectra Utilities Corporation at its March 1, 2019 meeting.

ALECTRA UTILITIES CORPORATION**DIRECTORS' RESOLUTION****2018 Agreement Respecting Liability for Part VI.1 Tax**

WHEREAS Alectra Inc. has generated Part VI.1 tax of the Income Tax Act (Canada) (the "ITA") on the dividends declared on its Class S Shares;

AND WHEREAS the Class S Shares dividends declared and paid in 2019 for fiscal 2018 that are subject to Part VI.1 tax is \$3,979,393.

AND WHEREAS section 191.3 of the ITA allows the transfer of all of the Part VI.1 tax liability of a corporation to a related taxable Canadian corporation that has sufficient Part I tax to utilize the deduction for Part VI.1 tax under ITA paragraph 110(1)(k);

RESOLVED THAT:

1. Alectra Utilities Corporation (the "Corporation") is in agreement that the Part VI.1 tax liability generated by Alectra Inc. on its Class S Shares dividends declared and paid in 2019, for fiscal 2018, be transferred to the Corporation and the corresponding deduction will be utilized on the Corporation's 2019 tax return.
2. Any director or officer of the Corporation take all steps and execute all documents as may be necessary or desirable in connection the foregoing.

Date

12/06/20


 Dennis Nolan
 General Counsel & Secretary

ALECTRA UTILITIES CORPORATION (the “Corporation”)**OFFICER’S CERTIFICATE**

I, Dennis Nolan, General Counsel & Secretary of the Corporation, hereby certify that the following is a true copy of the resolution approved by the Board of Directors of Alectra Utilities Corporation at its May 24, 2019 meeting.

ALECTRA UTILITIES CORPORATION**DIRECTORS’ RESOLUTION****2019 Agreement Respecting Liability for Part VI.1 Tax**

WHEREAS Alectra Inc. has generated Part VI.1 tax of the Income Tax Act (Canada) (the “ITA”) on the dividends declared on its Class S Shares;

AND WHEREAS the Class S Shares dividends declared and paid in the first quarter of 2019 that are subject to Part VI.1 tax is \$560,000.

AND WHEREAS section 191.3 of the ITA allows the transfer of all of the Part VI.1 tax liability of a corporation to a related taxable Canadian corporation that has sufficient Part I tax to utilize the deduction for Part VI.1 tax under ITA paragraph 110(1)(k);

RESOLVED THAT:

1. Alectra Utilities Corporation (the “Corporation”) is in agreement that the Part VI.1 tax liability generated by Alectra Inc. on its Class S Shares dividends declared and paid in the first quarter of 2019, be transferred to the Corporation and the corresponding deduction will be utilized on the Corporation’s 2019 tax return.
2. Any director or officer of the Corporation take all steps and execute all documents as may be necessary or desirable in connection the foregoing.

June 12, 2020

Date



Dennis Nolan
General Counsel & Secretary

ALECTRA UTILITIES CORPORATION (the "Corporation")**OFFICER'S CERTIFICATE**

I, Dennis Nolan, General Counsel & Secretary of the Corporation, hereby certify that the following is a true copy of the resolution approved by the Board of Directors of Alectra Utilities Corporation at its August 23, 2019 meeting.

ALECTRA UTILITIES CORPORATION**DIRECTORS' RESOLUTION**2019 Agreement Respecting Liability for Part VI.1 Tax

WHEREAS Alectra Inc. has generated Part VI.1 tax of the Income Tax Act (Canada) (the "ITA") on the dividends declared on its Class S Shares;

AND WHEREAS the Class S Shares dividends declared and paid in the second quarter of 2019 that are subject to Part VI.1 tax is \$560,000.

AND WHEREAS section 191.3 of the ITA allows the transfer of all of the Part VI.1 tax liability of a corporation to a related taxable Canadian corporation that has sufficient Part I tax to utilize the deduction for Part VI.1 tax under ITA paragraph 110(1)(k);

RESOLVED THAT:

1. Alectra Utilities Corporation (the "Corporation") is in agreement that the Part VI.1 tax liability generated by Alectra Inc. on its Class S Shares dividends declared and paid in the second quarter of 2019, be transferred to the Corporation and the corresponding deduction will be utilized on the Corporation's 2019 tax return.
2. Any director or officer of the Corporation take all steps and execute all documents as may be necessary or desirable in connection the foregoing.

Date

12/06/20



General Counsel & Secretary

ALECTRA UTILITIES CORPORATION (the "Corporation")

OFFICER'S CERTIFICATE

I, Dennis Nolan, General Counsel & Secretary of the Corporation, hereby certify that the following is a true copy of the resolution approved by the Board of Directors of Alectra Utilities Corporation at its November 28, 2019 meeting.

ALECTRA UTILITIES CORPORATION

DIRECTORS' RESOLUTION2019 Agreement Respecting Liability for Part VI.1 Tax

WHEREAS Alectra Inc. has generated Part VI.1 tax of the Income Tax Act (Canada) (the "ITA") on the dividends declared on its Class S Shares;

AND WHEREAS the Class S Shares dividends declared and paid in the third quarter of 2019 that are subject to Part VI.1 tax is \$560,000.

AND WHEREAS section 191.3 of the ITA allows the transfer of all of the Part VI.1 tax liability of a corporation to a related taxable Canadian corporation that has sufficient Part I tax to utilize the deduction for Part VI.1 tax under ITA paragraph 110(1)(k);

RESOLVED THAT:

1. Alectra Utilities Corporation (the "Corporation") is in agreement that the Part VI.1 tax liability generated by Alectra Inc. on its Class S Shares dividends declared and paid in the third quarter of 2019, be transferred to the Corporation and the corresponding deduction will be utilized on the Corporation's 2019 tax return.
2. Any director or officer of the Corporation take all steps and execute all documents as may be necessary or desirable in connection the foregoing.

12/06/20
Date


General Counsel & Secretary



Shareholder Information

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

- 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 per shareholder (business number, social insurance number or trust number).

| | Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) | Business number (If a corporation is not registered, enter "NR") | Social insurance number | Trust number | Percentage common shares | Percentage preferred shares |
|----|--|---|-------------------------|--------------|--------------------------|-----------------------------|
| | 100 | 200 | 300 | 350 | 400 | 500 |
| 1 | ALECTRA INC. | [REDACTED] | | | 100.000 | 100.000 |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |





General Rate Income Pool (GRIP) Calculation

| | | |
|--|-------------------------------|---|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|---|

On: 2019-12-31

- 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 Income Tax Act and the 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.**



Part 1 – General rate income pool (GRIP)

| | | | |
|--|------------|--------------------|----------------------|
| GRIP at the end of the previous tax year | | 100 | 630,811,988 |
| Taxable income for the year (DICs enter "0") * | 110 | 2,590,004 | |
| Amount on line 400, 405, 410, and 427 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 | 2,502,000 | |
| Subtotal (line 130 plus line 140) | | <u>2,502,000</u> | ▶ 2,502,000 A |
| Income taxable at the general corporate rate (line 110 minus amount A) (if negative enter "0") | 150 | 88,004 | |
| After-tax income (line 150 multiplied by 0.72 (the general rate factor for the tax year)) | | | 190 63,363 |
| 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 amounts E4 in Part 3 and amounts W5 in Part 4) | 230 | 39,791,490 | |
| Post-wind-up (total of amounts E4 in Part 3 and amounts W5 in Part 4) | 240 | | |
| Subtotal (add lines 220, 230, and 240) | 290 | <u>39,791,490</u> | ▶ 39,791,490 |
| Subtotal (add lines 100, 190, 290, and amount B) | | | <u>670,666,841</u> 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 | 670,666,841 | |
| Total GRIP adjustment for specified future tax consequences to previous tax years (amount L3 in Part 2) | 560 | | |
| GRIP at the end of the tax year (line 490 minus line 560) | 590 | <u>670,666,841</u> | |

Enter this amount on line 160 of Schedule 55.

* 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 (e.g., 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.

** If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

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 2018-12-31

Taxable income before specified future tax consequences
from the current tax year 36,405,021 A1

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, and
427 or 428** of the T2 return,
whichever is the least B1

Aggregate investment income
(line 440 of the T2 return) 2,645,262 C1

Subtotal (amount B1 plus amount C1) 2,645,262 ▶ 2,645,262 D1

Subtotal (amount A1 minus amount D1) (if negative, enter "0") 33,759,759 ▶ 33,759,759 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, and
427 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**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2017-12-31

Taxable income before specified future tax consequences from the current tax year A3

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least B3

Aggregate investment income (line 440 of the T2 return) C3

Subtotal (amount B3 plus amount C3) D3

Subtotal (amount A3 minus amount D3) (if negative, enter "0") E3

| Future tax consequences that occur for the current year | | | | | |
|---|-------------------------|---------------------------------|----------------------|-------|------------------|
| Amount carried back from the current year to a prior year | | | | | |
| Non-capital loss carry-back (paragraph 111 (1)(a) ITA) | Capital loss carry-back | Restricted farm loss carry-back | Farm loss carry-back | Other | Total carrybacks |
| | | | | | |

Taxable income after specified future tax consequences F3

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, and 427 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") L3

Enter amount L3 on line 560 in part 1.

** If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

**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 | | 39,791,490 | 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) | ▶ | 39,791,490 | 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) | | 39,791,490 | E4 |

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC Post amalgamation Post wind-up

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. 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 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.

Part III.1 Tax on Excessive Eligible Dividend Designations

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

Do not use this area

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

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

| | | |
|--|---|--------------------------|
| Taxable dividends paid in the tax year not included in Schedule 3 | _____ | |
| Taxable dividends paid in the tax year included in Schedule 3 | 84,445,393 | |
| Total taxable dividends paid in the tax year | 100 84,445,393 | |
| Total eligible dividends paid in the tax year | | 150 _____ A |
| GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0") | | 160 670,666,841 B |
| Excessive eligible dividend designation (line 150 minus line 160) | | _____ C |
| Deduct: | | |
| Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends * | | 180 _____ D |
| | Subtotal (amount C minus amount D) | _____ E |
| Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %) | | 190 _____ F |
| Enter the amount from line 190 on line 710 of the T2 return. | | |

Part 2 – Other corporations

| | | |
|---|---|--------------------|
| Taxable dividends paid in the tax year not included in Schedule 3 | _____ | |
| Taxable dividends paid in the tax year included in Schedule 3 | _____ | |
| Total taxable dividends paid in the tax year | 200 _____ | |
| Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54) | | _____ G |
| Deduct: | | |
| Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends * | | 280 _____ H |
| | Subtotal (amount G minus amount H) | _____ I |
| Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %) | | 290 _____ J |
| Enter the amount from line 290 on line 710 of the T2 return. | | |

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.



Request for Capital Dividend Account Balance Verification

Protected B
when completed

| | |
|--|-------------------------------|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] |
|--|-------------------------------|

- If you are a private corporation, use this schedule to summarize the components making up your capital dividend account (CDA) balance as of the CDA balance date shown in the field located above Part 1.
- Mail one completed copy of this schedule, separately from any other return, to the Prince Edward Island Tax Centre at 275 Pope Road, Summerside PE C1N 6A2.
- For specific details about calculating the CDA balance, see the applicable legislation in the federal Income Tax Act.
- All legislative references are to the current version of the Act. But since the CDA balance components can span several years, these references may not apply to older components of your CDA balance. In these cases, see the version of the Act that applies to the appropriate year.
- All references to paragraphs in subsection 89(1) of the Act are under the definition of "capital dividend account".
- If you are paying out a capital dividend from your CDA, you must file Form T2054, Election for a Capital Dividend under Subsection 83(2). Attach a copy of this completed form. Note that if a capital dividend paid out under this election exceeds the balance of the CDA at the time the dividend becomes payable, you may have to pay Part III tax on the excessive dividends (see section 184 of the Act).

Capital dividend account balance as of 2019-12-31
Year Month Day

Please check one of the following:

- Is this a balance verification request? Yes No
- Is this request related to the requirements of section 89(1) for Form T2054? Yes No

Part 1 – CDA components (except for eligible capital property) (Note 1 and Note 2)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|--|--|--|---|--|--|
| Tax year-end or relevant date (YYYY/MM/DD) (Note 3) | The non-taxable portion of capital gains (including the non-taxable portion of capital gains from a trust after September 15, 2016) and non-deductible portion of capital losses per paragraph 89(1)(a) (Note 4) | Capital dividends received per paragraph 89(1)(b) (Note 5) | Net proceeds of a life insurance policy per paragraph 89(1)(d) | Non-taxable portion of capital gains from a trust before September 16, 2016 per paragraph 89(1)(f) (Note 6) | Capital dividends from a trust per paragraph 89(1)(g) (Note 6) | Capital dividends payable per subsection 83(2) |
| 1. 2018-12-31 | 2,645,263 | | | | | |
| 2019-12-31 | 2,502,000 | | | | | |
| Totals | 5,147,263 | | | | | |

If you need more space, use additional sheets.

- Note 1. For eligible capital property, see parts 2 and 4.
- Note 2. If you were a private corporation under non-resident control that became Canadian controlled as per subsection 89(1.1), or were a tax-exempt corporation that became taxable as per subsection 89(1.2), the CDA balance may be reduced to nil immediately before the dates referred to in those provisions.
- Note 3. Include as many tax years as required. Start your list with the tax year that began after the corporation became a private corporation and that ended after 1971. End your list on the CDA balance date shown in the field located above Part 1. If you are completing this schedule before your tax year-end, enter the relevant date of the activity. When Form T2054 has been completed, the program assumes that the relevant date of the activity to indicate in the last field of column 1 in Part 1 is the first of the following dates: the day immediately preceding the date on which the dividend becomes payable, or the first day immediately preceding the date on which any part of the dividend was paid. If this is not the case, enter the correct relevant date of the activity, using an override.
- Note 4. Along with applicable losses, include the non-deductible portion of a business investment loss here. Show losses as a negative.
- Note 5. May be adjusted by an excessive dividend election under subsection 184(3). Exclude a dividend that subsection 83(2.1) applies to.
- Note 6. The amounts that can be added to the CDA of the corporation in a particular tax year, in respect of amounts received by the corporation, from a trust and that are attributable to capital gains realized by the trust or to dividends received and distributed by a trust, can only be determined after the end of the taxation year of the trust in which the capital gains were realized or the dividends were received and distributed by it.

Part 2 – CDA components – Eligible capital property (ECP)

Record in these tables the most common amounts included in the eligible capital property (ECP) component of the CDA. This information is not meant to replace the calculation at line C in Part 4.

Section A: CDA components – List of eligible capital property acquisitions and dispositions
(for tax years ending before **February 28, 2000**)

| 1 | 2 | 3 | 4 |
|------------------------------|---|--|--|
| Tax year-end (YYYY/MM/DD) | Cost of eligible capital property acquired | Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property | Non-taxable portion of ECP sales |
| 1. | | | |
| Total | | | |

If you need more space, use additional sheets.

Section B: CDA components – List of ECP dispositions (for tax years ending after **February 27, 2000** and before **January 1, 2017**)

| 1 | 2 | 3 | 4 |
|------------------------------|------------------------------|---|--|
| Tax year-end (YYYY/MM/DD) | Amount S from Schedule 10 | Appropriate portion of the amount deducted as a bad debt per subsection 20(4.2) or as an allowable capital loss per subsection 20(4.3) | Non-taxable portion of ECP sales (column 2 minus column 3) |
| 1. | | | |
| Total | | | |

If you need more space, use additional sheets.

Part 3 – Additional information

For each capital dividend received, as recorded in column 3 in Part 1, give the name and business number of the corporation that paid the capital dividend and the date the dividend became payable.

| | 1 Corporation's name | 2 Business number | 3 Date the dividend became payable (YYYY/MM/DD) |
|----|-------------------------|----------------------|--|
| 1. | | | |

If you need more space, use additional sheets.

Part 4 – CDA balance

Include the non-taxable portion of capital gains (including the non-taxable portion of capital gains from a trust after September 15, 2016) and the non-deductible portion of capital losses (total of column 2 in Part 1; if negative enter "0")

| | | |
|--|------------------|---|
| September 15, 2016) and the non-deductible portion of capital losses (total of column 2 in Part 1; if negative enter "0") | 5,147,263 | A |
| Capital dividends received (total of column 3 in Part 1) | | B |
| Eligible capital property for taxation years ending before January 1, 2017 (as calculated per former paragraphs 89(1)(c), (c.1) and (c.2); if negative, enter "0") | | C |
| Life insurance proceeds (total of column 4 in Part 1; if negative, enter "0") | | D |
| Life insurance CDA (Note 7) | | E |
| Non-taxable portion of capital gains from a trust before September 16, 2016 (total of column 5 in Part 1) | | F |
| Capital dividends from a trust (total of column 6 in Part 1) | | G |
| Amounts from predecessor and subsidiary corporations (Note 8) | | H |
| Subtotal (total of amounts A to H) | 5,147,263 | I |
| Capital dividends that previously became payable (total of column 7 in Part 1) | | J |
| CDA balance (amount I minus amount J) | <u>5,147,263</u> | K |

Note 7. Include the balance of the corporation's life insurance CDA immediately before May 24, 1985, in accordance with paragraph 89(1)(e). For more information, see paragraph 1.61 and 1.62 of Income Tax Folio S3-F2-C1, Capital Dividends.

- Note 8. – For amalgamations and wind-ups **before** July 14, 1990, calculate the CDA balance of each predecessor or subsidiary corporation separately. Then add these CDA balances to the CDA of the successor or parent corporation. Do not carry forward negative amounts, since these are considered to be nil.
- For amalgamations and wind-ups **after** July 13, 1990, carry over the amounts of all the CDA components of each predecessor or subsidiary corporation into the calculation of the CDA components of the new corporation. As a result, a negative balance in a component of a CDA of a predecessor or subsidiary corporation has to show in the CDA of the successor or parent corporation. Include a separate CDA calculation on a separate schedule for each predecessor or subsidiary corporation.
 - For amalgamations, see paragraph 87(2)(z.1). For wind-ups, see paragraph 88(1)(e.2).





Ontario Corporation Tax Calculation

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

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

Part 1 – Ontario basic income tax

| | | |
|---|------------------|----|
| Ontario taxable income ^{Note 1} | <u>2,590,004</u> | 1A |
| Ontario basic rate of tax for the year | <u>11.5 %</u> | 1B |
| Ontario basic income tax (amount 1A multiplied by amount 1B) ^{Note 2} | <u>297,850</u> | 1C |

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

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

Part 2 – Ontario small business deduction (OSBD)

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

| | | |
|---|--|----------------------|
| Line 400 of the T2 return | <u>10,936,758</u> | 2A |
| Line 405 of the T2 return | <u>2,590,004</u> | 2B |
| If your tax year starts before 2019, line 427 of the T2 return | <u> </u> | 2C |
| If your tax year starts after 2018 | | |
| Line 410 of the T2 return | <u>500,000</u> | 2D |
| Line 415 of the T2 return | <u>10,436,692</u> | 2E |
| Amount 2D | Amount 2E | |
| <u>500,000</u> | <u>10,436,692</u> | = <u>463,852,978</u> |
| | <u>11,250</u> | 2F |
| Line 515 of the T2 return | <u> </u> | 2G |
| Subtotal (amount 2D minus amount 2F minus amount 2G) | <u> </u> | 2H |
| Amount 2A, 2B, and 2C or 2H, whichever is least | <u> </u> | 2I |
| Ontario domestic factor (ODF): | Taxable income for Ontario ^{Note 3} | 2,590,004.00 = |
| | Taxable income for all provinces ^{Note 4} | 2,590,004 |
| | <u> </u> | <u>1.00000</u> |
| Amount 2I multiplied by amount 2J | <u> </u> | 2K |
| Ontario taxable income (amount 1A) | <u>2,590,004</u> | 2L |
| Ontario small business income (amount 2K or 2L, whichever is least) | <u> </u> | 2M |



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

Ontario small business deduction rate for the year

| | | | | | | |
|---|-----|---|-------|---|--|----------------|
| Number of days in the tax year before January 1, 2018 | | x | 7 % | = | | % 2N.1 |
| Number of days in the tax year | 365 | | | | | |
| Number of days in the tax year after December 31, 2017 and before January 1, 2020 | | x | 8 % | = | | 8.00000 % 2N.2 |
| Number of days in the tax year | 365 | | | | | |
| Number of days in the tax year after December 31, 2019 | | x | 8.3 % | = | | % 2N.3 |
| Number of days in the tax year | 365 | | | | | |

OSBD rate for the year (rate 2N.1 plus rate 2N.2 plus rate 2N.3) 8.00000 % ▶ 8.00000 % 2N.4

Ontario small business deduction (amount 2M multiplied by rate 2N.4) 2N

Enter amount 2N on line 402 of Schedule 5.

Note 3 Enter amount 1A.

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

Part 3 – Ontario adjusted small business income

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

Ontario adjusted small business income (amount 1A or 2I, whichever is least) 3A

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

Part 4 – Credit union tax reduction

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

Amount 3C of Schedule 17 4A

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

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

Amount 4C multiplied by amount 2N.4 4D

Ontario domestic factor (amount 2J) 1.00000 4E

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

Enter amount 4F on line 410 of Schedule 5.

Ontario Research and Development Tax Credit

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

- 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 | 2,540,697 | A |
| Government assistance, non-government assistance, or a contract payment for eligible expenditures | 105 | 1,200 | B |
| Net eligible expenditures for the tax year (amount A minus amount B) (if negative, enter "0") | | 2,539,497 | C |
| Eligible expenditures transferred to the corporation by another corporation | 110 | | D |
| Subtotal (amount C plus amount D) | | 2,539,497 | 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") | 120 | 2,539,497 | 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

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 after May 31, 2016 | x | 3.5 % | = | % | 5 | |
| 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) | ..... | <u>2,539,497</u> | x | 3.5 % | = | 202 | <u>88,882</u> | 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 | <u>88,882</u> | X |

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

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

ORDTC balance at the end of the previous tax year Y

ORDTC expired after 20 tax years **300** Z

ORDTC at the beginning of the tax year (amount Y minus amount Z) **305** AA

ORDTC transferred to the corporation on amalgamation or windup **310** BB

Current part of ORDTC 88,882 CC
(amount P, T or X in Part 3 whichever applies)

Are you waiving all or part of the current part of the ORDTC? **315** Yes 1 No 2

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) 88,882 ▶ 88,882 EE

ORDTC available for deduction (total of amounts AA, BB and EE) 88,882 ▶ 88,882 FF

ORDTC claimed ** 88,882 GG
(Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)

ORDTC carried back to previous tax years (from Part 5) HH

Subtotal (amount GG plus amount HH) 88,882 ▶ 88,882 II

ORDTC balance at the end of the tax year (amount FF minus amount II) **325** 88,882 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 | 2018 | 12 | 31 | ..... | Credit to be applied 901 _____ |
| 2 nd previous tax year | 2018 | 06 | 30 | ..... | Credit to be applied 902 _____ |
| 3 rd previous tax year | 2017 | 12 | 31 | ..... | Credit to be applied 903 _____ |
| Total (total of amount 901 to 903)(enter at amount HH in Part 4) | | | | | _____ |

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 | |
| | | | | 2011-12-31 | | | |
| | | | | 2012-12-31 | | | |
| | | | | 2013-12-31 | | | |
| | | | | 2014-12-31 | | | |
| | | | | 2015-12-31 | | | |
| | | | | 2016-12-31 | | | |
| | | | | 2017-01-30 | | | |
| | | | | 2017-12-31 | | | |
| | | | | 2018-06-30 | | | |
| | | | | 2018-12-31 | | | |
| | | | | 2019-12-31 | | | |
| | | | | Current tax year | | | |
| | | | | Total (equals line 325 in Part 4) _____ | | | |

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**

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.

| OO | PP | QQ |
|---|---|---|
| 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 | 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 | 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) |
| 720 | 730 | 740 |
| 1. | | |

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

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.

| Enter the breakdown between current and capital expenditures | | Current Expenditures | Capital Expenditures |
|--|-------------------|----------------------|------------------------|
| Total expenditures for SR&ED | | 1,926,755 | |
| Add | | | |
| • payment of prior years' unpaid expenses (other than salary or wages) | + | | |
| • prescribed proxy amount (Enter "0" if you use the traditional method) | + | 714,093 | |
| • expenditures on shared-use equipment | | | + |
| • other additions | + | | + |
| | Subtotal = | 2,640,848 | = |
| 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 | - | 100,151 | |
| • 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 | - | | - |
| | Subtotal = | 2,540,697 | I = |
| Total eligible expenditures incurred by the corporation in Ontario in the tax year (add amount I and II) | | | = 2,540,697 III |

Enter amount III on line 100 of Schedule 508.



Ontario Corporate Minimum Tax

| | | |
|--|-------------------------------|--|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|--|

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

Part 1 – Determination of CMT applicability

| | | |
|---|------------|---------------|
| Total assets of the corporation at the end of the tax year * | 112 | 4,969,958,620 |
| 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 | 2,791,030,022 |
| Total assets (total of lines 112 to 116) | | 7,760,988,642 |
| Total revenue of the corporation for the tax year ** | 142 | 3,807,976,178 |
| 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 | 194,395,000 |
| Total revenue (total of lines 142 to 146) | | 4,002,371,178 |

The corporation is subject to CMT if:

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

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

*** Rules for total assets**

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

**** Rules for total revenue**

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



Part 2 – Adjusted net income/loss for CMT purposes

| | | | |
|---|------------|-------------------|-------------------|
| Net income/loss per financial statements * | | 210 | 47,136,346 |
| Add (to the extent reflected in income/loss): | | | |
| Provision for current income taxes/cost of current income taxes | 220 | 14,998,418 | |
| Provision for deferred income taxes (debits)/cost of future income taxes | 222 | | |
| Equity losses from corporations | 224 | | |
| Financial statement loss from partnerships and joint ventures | 226 | | |
| Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act | 230 | | |
| Other additions (see note below): | | | |
| Share of adjusted net income of partnerships and joint ventures ** | 228 | 658,509 | |
| Total patronage dividends received, not already included in net income/loss | 232 | | |
| 281 | 282 | | |
| 283 | 284 | | |
| | Subtotal | 15,656,927 | 15,656,927 A |
| Deduct (to the extent reflected in income/loss): | | | |
| Provision for recovery of current income taxes/benefit of current income taxes | 320 | | |
| Provision for deferred income taxes (credits)/benefit of future income taxes | 322 | | |
| Equity income from corporations | 324 | | |
| Financial statement income from partnerships and joint ventures | 326 | | |
| Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act | 330 | | |
| 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 | 4,244,544 | |
| 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 | 4,244,544 | 4,244,544 B |
| Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B) | | 490 | 58,548,729 |

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

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

Note

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

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

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

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

*** Rules for net income/loss**

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

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

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

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

Part 3 – CMT payable

| | | | | |
|--|------------|-----|------------|------------|
| Adjusted net income for CMT purposes (line 490 in Part 2, if positive) | 515 | | 58,548,729 | |
| Deduct: | | | | |
| CMT loss available (amount R from Part 7) | | | | |
| Minus: Adjustment for an acquisition of control * | 518 | | | |
| Adjusted CMT loss available | | | | C |
| Net income subject to CMT calculation (if negative, enter "0") | 520 | | 58,548,729 | |
| Amount from line 520 <u>58,548,729</u> × $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ × 4 % = | | | | |
| | | 365 | | 1 |
| Amount from line 520 <u>58,548,729</u> × $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ × 2.7 % = | | | | |
| | | 365 | 1,580,816 | 2 |
| Subtotal (amount 1 plus amount 2) | | | 1,580,816 | 3 |
| Gross CMT: amount on line 3 above x OAF ** | | | 1,580,816 | 540 |
| Deduct: | | | | |
| Foreign tax credit for CMT purposes *** | | | | 550 |
| CMT after foreign tax credit deduction (line 540 minus line 550) (if negative, enter "0") | | | 1,580,816 | D |
| Deduct: | | | | |
| Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) | | | 208,968 | |
| Net CMT payable (if negative, enter "0") | | | 1,371,848 | E |

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

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

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

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

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

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

$$\frac{\text{Ontario taxable income ****}}{\text{Taxable income *****}} = \underline{\hspace{2cm}}$$

Ontario allocation factor 1.00000 F

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

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

Part 4 – Calculation of CMT credit carryforward

| | | |
|--|------------------------------------|----------------|
| CMT credit carryforward at the end of the previous tax year * | 10,838,710 | G |
| Deduct: | | |
| CMT credit expired * | 600 | |
| CMT credit carryforward at the beginning of the current tax year * (see note below) | 10,838,710 | 620 10,838,710 |
| Add: | | |
| CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below) | 650 | 124,584 |
| CMT credit available for the tax year (amount on line 620 plus amount on line 650) | | 10,963,294 H |
| Deduct: | | |
| CMT credit deducted in the current tax year (amount P from Part 5) | | I |
| | Subtotal (amount H minus amount I) | 10,963,294 J |
| Add: | | |
| Net CMT payable (amount E from Part 3) | 1,371,848 | |
| SAT payable (amount O from Part 6 of Schedule 512) | | |
| | Subtotal | 1,371,848 K |
| CMT credit carryforward at the end of the tax year (amount J plus amount K) | 670 | 12,335,142 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) | | 10,963,294 | M |
| Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) | 208,968 | 1 | |
| For a corporation that is not a life insurance corporation: | | | |
| CMT after foreign tax credit deduction (amount D from Part 3) | 1,580,816 | 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: | 1,580,816 | 6 |
| | Subtotal (if negative, enter "0") | | N |
| Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) | 208,968 | | |
| Deduct: | | | |
| Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 minus line 450 from Schedule 5) | 452,700 | | |
| | Subtotal (if negative, enter "0") | | O |
| CMT credit deducted in the current tax year (least of amounts M, N, and O) | | | P |

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

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

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

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

Complete this part if:

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

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

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

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

Part 7 – Calculation of CMT loss carryforward

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

Deduct:

CMT loss expired * 700

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

Add:

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

CMT loss available (line 720 plus line 750) R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3)
Subtotal (if negative, enter "0") S

Add:

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

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

- * For the first harmonized T2 return filed with a tax year that includes days in 2009:
 - do not enter an amount on line Q or line 700;
 - for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

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

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

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

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

Complete this part if:

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

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

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

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

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



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

| | | |
|---|-------------------------------|--|
| Name of corporation ALECTRA UTILITIES CORPORATION | Business Number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|---|-------------------------------|--|

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

| | Names of associated corporations | Business number (Canadian corporation only) (see Note 1) | Total assets* (see Note 2) | Total revenue** (see Note 2) |
|----|---|--|-------------------------------|---------------------------------|
| | 200 | 300 | 400 | 500 |
| 1 | Alectra Inc. | [REDACTED] | [REDACTED] | [REDACTED] |
| 2 | Alectra Real Estate Holdings Inc. | [REDACTED] | [REDACTED] | [REDACTED] |
| 3 | Horizon Solar Corp | [REDACTED] | [REDACTED] | [REDACTED] |
| 4 | Alectra Energy Solutions Inc. | [REDACTED] | [REDACTED] | [REDACTED] |
| 5 | Alectra Power Services Inc. | [REDACTED] | [REDACTED] | [REDACTED] |
| 6 | Alectra Energy Services Inc. | [REDACTED] | [REDACTED] | [REDACTED] |
| 7 | Util-Assist Inc. | [REDACTED] | [REDACTED] | [REDACTED] |
| 8 | 2323855 Ontario Inc. | [REDACTED] | [REDACTED] | [REDACTED] |
| 9 | Alectra Microgrid Services Master GP Inc. | [REDACTED] | [REDACTED] | [REDACTED] |
| 10 | Alectra Microgrid Services Project GP (Georgian) Inc. | [REDACTED] | [REDACTED] | [REDACTED] |
| | | | 450 | 550 |
| | | | Total | |
| | | | 2,791,030,022 | 194,395,000 |

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





ONTARIO SPECIALTY TYPES

| | | |
|---|-------------------------------|---|
| Name of corporation ALECTRA UTILITIES CORPORATION | Business Number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|---|-------------------------------|---|

- Use this schedule to identify the specialty type of a corporation carrying on business in the province of Ontario through a permanent establishment if:
 - its tax year includes January 1, 2009;
 - the tax year is the first year after incorporation or an amalgamation; or
 - there is a change to the specialty type.
- If none of the listed specialty types applies, tick box 99 "Other."
- Unless otherwise noted, references to sections, subsections, and clauses are from the *Taxation Act, 2007* (Ontario).

Specialty types

100 Identify the specialty type that applies to your corporation:

- 01 Family farm corporation – See subsection 64(3).
- 02 Family fishing corporation – See subsection 64(3).
- 03 Mortgage investment corporation – See subsection 130.1(6) of the federal *Income Tax Act*.
- 04 Credit union – See subsection 137(6) of the federal Act.
- 06 Bank – See subsection 248(1) of the federal Act.
- 08 Financial institution prescribed by regulation only – See clause 66(2)(f).
- 09 Registered securities dealer – See subsection 248(1) of the federal Act.
- 10 Farm feeder finance co-operative corporation
- 11 Insurance corporation – See subsection 248(1) of the federal Act.
- 12 Mutual insurance – See subsection 27(2) of the *Taxation Act, 2007* (Ontario) and paragraph 149(1)(m) of the federal Act.
- 13 Specialty mutual insurance
- 14 Mutual fund corporation – See subsection 131(8) of the federal Act.
- 15 Bare trustee corporation
- 16 Professional corporation (incorporated professional only) – See subsection 248(1) of the federal Act.
- 17 Limited liability corporation
- 18 Generator of electrical energy for sale, or producer of steam for use in the generation of electrical energy for sale – See subsection 33(7).
- 19 Hydro successor, municipal electrical utility, or subsidiary of either – See subsection 91.1(1) and section 88 of the *Electricity Act, 1998* (Ontario).
- 20 Producer and seller of steam for uses other than for the generation of electricity – See subsection 33(7).
- 21 Mining corporation
- 22 Non-resident corporation
- 99 Other (if none of the previous descriptions apply)





CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

| | | |
|---|-------------------------------|---|
| Name of corporation ALECTRA UTILITIES CORPORATION | Business Number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|---|-------------------------------|---|

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit www.ServiceOntario.ca for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

| | | | |
|---|---|--|--|
| 100 Corporation's name (exactly as shown on the MGS public record) ALECTRA UTILITIES CORPORATION | | | |
| Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent Ontario | 110 Date of incorporation or amalgamation, whichever is the most recent Year Month Day 2019-01-01 | 120 Ontario Corporation No. 1969563 | |

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

| | | | |
|--|--|---------------------------------|--|
| 200 Care of (if applicable) | | | |
| 210 Street number 55 | 220 Street name/Rural route/Lot and Concession number JOHN STREET NORTH | 230 Suite number | |
| 240 Additional address information if applicable (line 220 must be completed first) | | | |
| 250 Municipality (e.g., city, town) HAMILTON | 260 Province/state ON | 270 Country CA | 280 Postal/zip code L8R 3M8 |

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit www.ServiceOntario.ca.

300 **1** If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 Basilio **451** John G.
Last name First name

454 _____
Middle name(s)

460 **2** Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.



Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

| | | | | |
|------------|---|--|--|----------------------------|
| 500 | <input type="checkbox"/> | Please enter one of the following numbers in this box: | 1 - Show no mailing address on the MGS public record. | |
| | | | 2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule. | |
| | | | 3 - The corporation's complete mailing address is as follows: | |
| 510 | Care of (if applicable) | | | |
| 520 | Street number | 530 Street name/Rural route/Lot and Concession number | 540 Suite number | |
| 550 | Additional address information if applicable (line 530 must be completed first) | | | |
| 560 | Municipality (e.g., city, town) | 570 Province/state | 580 Country | 590 Postal/zip code |

Part 6 – Language of preference

| | | |
|------------|--------------------------|---|
| 600 | <input type="checkbox"/> | Indicate your language of preference by entering 1 for English or 2 for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return. |
|------------|--------------------------|---|

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

| | | |
|---|-------------------------------|---|
| Name of corporation ALECTRA UTILITIES CORPORATION | Business Number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|---|-------------------------------|---|

- 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 [REDACTED] | 120 Telephone number including area code [REDACTED] |
| Is the claim filed for a CETC earned through a partnership?* | 150 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> |
| 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.

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 600,001

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:

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

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:

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

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. | | |
| 2. | | |
| 3. | | |
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| 22. | | |
| 23. | | |

| | A Name of university, college, or other eligible educational institution 400 | B Name of qualifying co-operative education program 405 |
|-----|---|--|
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| 78. | | |

| A Name of university, college, or other eligible educational institution | | B Name of qualifying co-operative education program | |
|---|--|--|--|
| 400 | | 405 | |
| 79. | | | |
| 80. | | | |
| 81. | | | |
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| 112. | | | |
| 113. | | | |
| 114. | | | |
| 115. | | | |
| 116. | | | |

| C Name of student | D Start date of WP (see note 1 below) | E End date of WP (see note 2 below) |
|-----------------------------|--|--|
| 410 | 430 | 435 |
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |
| 6. | | |
| 7. | | |
| 8. | | |
| 9. | | |
| 10. | | |

| | C Name of student | D Start date of WP (see note 1 below) | E End date of WP (see note 2 below) |
|------|----------------------|---|---|
| | 410 | 430 | 435 |
| 65. | | | |
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| 112. | | | |
| 113. | | | |
| 114. | | | |
| 115. | | | 2019-12-31 |

| | C Name of student | D Start date of WP (see note 1 below) | E End date of WP (see note 2 below) |
|------|-----------------------------|--|--|
| 116. | 410 | 430 | 435 |

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.

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

| | F1 Eligible expenditures before March 27, 2009 (see note 1 below) | | F2 Eligible expenditures after March 26, 2009 (see note 1 below) | | X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below) | Y Total number of consecutive weeks of the student's WP (see note 3 below) |
|-----|---|----------|--|----------|---|--|
| | 450 | | 452 | | | |
| 1. | | 10.000 % | | 25.000 % | | |
| 2. | | 10.000 % | | 25.000 % | | |
| 3. | | 10.000 % | | 25.000 % | | |
| 4. | | 10.000 % | | 25.000 % | | |
| 5. | | 10.000 % | | 25.000 % | | |
| 6. | | 10.000 % | | 25.000 % | | |
| 7. | | 10.000 % | | 25.000 % | | |
| 8. | | 10.000 % | | 25.000 % | | |
| 9. | | 10.000 % | | 25.000 % | | |
| 10. | | 10.000 % | | 25.000 % | | |
| 11. | | 10.000 % | | 25.000 % | | |
| 12. | | 10.000 % | | 25.000 % | | |
| 13. | | 10.000 % | | 25.000 % | | |
| 14. | | 10.000 % | | 25.000 % | | |
| 15. | | 10.000 % | | 25.000 % | | |
| 16. | | 10.000 % | | 25.000 % | | |
| 17. | | 10.000 % | | 25.000 % | | |
| 18. | | 10.000 % | | 25.000 % | | |
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| 20. | | 10.000 % | | 25.000 % | | |
| 21. | | 10.000 % | | 25.000 % | | |
| 22. | | 10.000 % | | 25.000 % | | |
| 23. | | 10.000 % | | 25.000 % | | |
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| 32. | | 10.000 % | | 25.000 % | | |
| 33. | | 10.000 % | | 25.000 % | | |
| 34. | | 10.000 % | | 25.000 % | | |
| 35. | | 10.000 % | | 25.000 % | | |
| 36. | | 10.000 % | | 25.000 % | | |
| 37. | | 10.000 % | | 25.000 % | | |
| 38. | | 10.000 % | | 25.000 % | | |
| 39. | | 10.000 % | | 25.000 % | | |
| 40. | | 10.000 % | | 25.000 % | | |
| 41. | | 10.000 % | | 25.000 % | | |
| 42. | | 10.000 % | | 25.000 % | | |
| 43. | | 10.000 % | | 25.000 % | | |
| 44. | | 10.000 % | | 25.000 % | | |
| 45. | | 10.000 % | | 25.000 % | | |
| 46. | | 10.000 % | | 25.000 % | | |
| 47. | | 10.000 % | | 25.000 % | | |
| 48. | | 10.000 % | | 25.000 % | | |
| 49. | | 10.000 % | | 25.000 % | | |
| 50. | | 10.000 % | | 25.000 % | | |
| 51. | | 10.000 % | | 25.000 % | | |

| | F1 Eligible expenditures before March 27, 2009 (see note 1 below) | | F2 Eligible expenditures after March 26, 2009 (see note 1 below) | | X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below) | Y Total number of consecutive weeks of the student's WP (see note 3 below) |
|------|---|----------|--|--|---|--|
| | 450 | | 452 | | | |
| 52. | | 10.000 % | | | 25.000 % | |
| 53. | | 10.000 % | | | 25.000 % | |
| 54. | | 10.000 % | | | 25.000 % | |
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| 67. | | 10.000 % | | | 25.000 % | |
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| 82. | | 10.000 % | | | 25.000 % | |
| 83. | | 10.000 % | | | 25.000 % | |
| 84. | | 10.000 % | | | 25.000 % | |
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| 88. | | 10.000 % | | | 25.000 % | |
| 89. | | 10.000 % | | | 25.000 % | |
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| 93. | | 10.000 % | | | 25.000 % | |
| 94. | | 10.000 % | | | 25.000 % | |
| 95. | | 10.000 % | | | 25.000 % | |
| 96. | | 10.000 % | | | 25.000 % | |
| 97. | | 10.000 % | | | 25.000 % | |
| 98. | | 10.000 % | | | 25.000 % | |
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| 100. | | 10.000 % | | | 25.000 % | |
| 101. | | 10.000 % | | | 25.000 % | |
| 102. | | 10.000 % | | | 25.000 % | |
| 103. | | 10.000 % | | | 25.000 % | |
| 104. | | 10.000 % | | | 25.000 % | |

| | F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450 | Eligible percentage before March 27, 2009 (from line 310 in Part 3) | F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452 | Eligible percentage after March 26, 2009 (from line 310a in Part 3) | X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below) | Y Total number of consecutive weeks of the student's WP (see note 3 below) |
|------|---|--|--|--|---|--|
| 105. | | 10.000 % | | 25.000 % | | |
| 106. | | 10.000 % | | 25.000 % | | |
| 107. | | 10.000 % | | 25.000 % | | |
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| 109. | | 10.000 % | | 25.000 % | | |
| 110. | | 10.000 % | | 25.000 % | | |
| 111. | | 10.000 % | | 25.000 % | | |
| 112. | | 10.000 % | | 25.000 % | | |
| 113. | | 10.000 % | | 25.000 % | | |
| 114. | | 10.000 % | | 25.000 % | | |
| 115. | | 10.000 % | | 25.000 % | | |
| 116. | | 10.000 % | | 25.000 % | | |

| | G Eligible amount (eligible expenditures multiplied by eligible percentage) (see note 2 below) 460 | H Maximum CETC per WP (see note 3 below) 462 | I CETC on eligible expenditures (column G or H, whichever is less) 470 | J CETC on repayment of government assistance (see note 4 below) 480 | K CETC for each WP (column I or column J) 490 |
|-----|---|--|---|---|--|
| 1. | 6,821 | 3,000 | 3,000 | | 3,000 |
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| | G Eligible amount (eligible expenditures multiplied by eligible percentage) (see note 2 below) 460 | H Maximum CETC per WP (see note 3 below) 462 | I CETC on eligible expenditures (column G or H, whichever is less) 470 | J CETC on repayment of government assistance (see note 4 below) 480 | K CETC for each WP (column I or column J) 490 |
|-----|---|--|---|---|--|
| 35. | | | | | |
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| 86. | | | | | |
| 87. | | | | | |

| | G Eligible amount (eligible expenditures multiplied by eligible percentage) (see note 2 below) | H Maximum CETC per WP (see note 3 below) | I CETC on eligible expenditures (column G or H, whichever is less) | J CETC on repayment of government assistance (see note 4 below) | K CETC for each WP (column I or column J) |
|------|--|---|--|--|---|
| | 460 | 462 | 470 | 480 | 490 |
| 88. | | | | | |
| 89. | | | | | |
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| 116. | | | | | |

Ontario co-operative education tax credit (total of amounts in column K) **500** 327,609 L

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L _____ x percentage on line 170 in Part 1 _____ % = _____ **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

$$\text{Column G} = (\text{column F1} \times \text{percentage on line 310}) + (\text{column F2} \times \text{percentage on line 312})$$

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is \$1,000.

If the WP begins after March 26, 2009, the maximum credit amount for the WP is \$3,000.

If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

$$(\$1,000 \times X/Y) + [\$3,000 \times (Y - X)/Y]$$

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009, and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received. Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.



Ontario Apprenticeship Training Tax Credit

| | | |
|--|-------------------------------|---|
| Corporation's name ALECTRA UTILITIES CORPORATION | Business number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|--|-------------------------------|---|

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015, the maximum credit for each qualifying apprenticeship is \$10,000 per year to a maximum credit of \$40,000 over the first 48-month period of the qualifying apprenticeship. For an apprenticeship program that began after April 23, 2015, the maximum credit for each qualifying apprenticeship is \$5,000 per year to a maximum credit of \$15,000 over the first 36-month period of the qualifying apprenticeship.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
 - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
 - for services provided by the apprentice during the first 48 months of the apprenticeship program, if an apprenticeship program began before April 24, 2015; and
 - for services provided by the apprentice during the first 36 months of the apprenticeship program, if an apprenticeship program began after April 23, 2015.
- An expenditure is not eligible for an ATTC if:
 - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
 - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
 - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario) or a person designated by him or her; and
 - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009*, or the *Apprenticeship and Certification Act, 1998*, or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*. Keep a copy of the training agreement or contract of apprenticeship to support your claim.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

| | |
|--|--|
| 110 Name of person to contact for more information [REDACTED] | 120 Telephone number [REDACTED] |
| Is the claim filed for an ATTC earned through a partnership? * | 150 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> |
| 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 ATTC 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 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

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 you are **not eligible** for the ATTC.



Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 600,001

For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015:

- If line 300 is \$400,000 or less, enter 45% on line 312.
- If line 300 is \$600,000 or more, enter 35% 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:

$$\text{Specified percentage} = 45\% - \left[10\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **312** 35.000 %

For eligible expenditures incurred for an apprenticeship program that began after April 23, 2015:

- If line 300 is \$400,000 or less, enter 30% on line 314.
- If line 300 is \$600,000 or more, enter 25% on line 314.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 314 using the following formula:

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

Specified percentage **314** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice for each qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

| | A Trade code | B Apprenticeship program/trade name | C Name of apprentice |
|-----|------------------------|---|--------------------------------|
| | 400 | 405 | 410 |
| 1. | | | |
| 2. | | | |
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| 26. | | | |
| 27. | | | |

| | A Trade code | B Apprenticeship program/trade name | C Name of apprentice |
|-----|------------------------|---|--------------------------------|
| | 400 | 405 | 410 |
| 28. | | | |
| 29. | | | |
| 30. | | | |
| 31. | | | |
| 32. | | | |
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| 41. | | | |
| 42. | | | |

| | D Original contract or training agreement number | E Original registration date of apprenticeship contract or training agreement (YYYYMMDD) (see note 1) | F Start date of employment as an apprentice in the tax year (YYYYMMDD) (see note 2) | G End date of employment as an apprentice in the tax year (YYYYMMDD) (see note 3) |
|-----|--|---|---|---|
| | 420 | 425 | 430 | 435 |
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| 32. | | | | |
| 33. | | | | |

| | D Original contract or training agreement number | E Original registration date of apprenticeship contract or training agreement (YYYYMMDD) (see note 1) | F Start date of employment as an apprentice in the tax year (YYYYMMDD) (see note 2) | G End date of employment as an apprentice in the tax year (YYYYMMDD) (see note 3) |
|-----|--|---|---|---|
| 34. | 420 | 425 | 430 | 435 |
| 35. | | | | |
| 36. | | | | |
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Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Ontario apprenticeship training tax credit (continued)

| | H1 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began before April 24, 2015 (see note 1) | H2 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began after April 23, 2015 (see note 1) | I Maximum credit amount for the tax year (see note 2) |
|-----|---|--|--|
| | 442 | 443 | 445 |
| 1. | | | |
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Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.

For H1: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

For H2: The days employed as an apprentice must be within 36 months of the registration date provided in column E.

Note 2: Maximum credit = $(\$10,000 \times H1/365^*)$ or $(\$5,000 \times H2/365^*)$, whichever applies.

* 366 days, if the tax year includes February 29

| | J1 Eligible expenditures incurred after March 26, 2009 for a qualifying apprenticeship program that began before April 24, 2015 (see note 3) | J2 Eligible expenditures incurred for a qualifying apprenticeship program that began after April 23, 2015 (see note 3) | K Eligible expenditures multiplied by specified percentage (see note 4) |
|-----|---|---|--|
| | 452 | 453 | 460 |
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
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Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

For J1: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 48 months of the apprenticeship program, and not relating to services performed before the apprenticeship program began or after it ended.

For J2: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 36 months of the apprenticeship program, and not relating to services performed before the apprenticeship began or after it ended.

Note 4: Calculate the amount in column K as follows:

Column K = (J1 × line 312) or (J2 × line 314), whichever applies.

| | L ATTC on eligible expenditures (lesser of columns I and K) | M ATTC on repayment of government assistance (see note 5) | N ATTC for each apprentice (column L or M, whichever applies) |
|-----|---|--|--|
| | 470 | 480 | 490 |
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Ontario apprenticeship training tax credit (total of amounts in column N)

500 123,891 O

Or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O _____ x percentage on line 170 in Part 1 _____ % = _____ P

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, **add** the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year. Complete a **separate entry** for each repayment of government assistance.

See the privacy notice on your return.



ONTARIO BUSINESS-RESEARCH INSTITUTE TAX CREDIT

| | | |
|---|-------------------------------|--|
| Name of corporation ALECTRA UTILITIES CORPORATION | Business Number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|---|-------------------------------|--|

- Use this schedule to claim the Ontario business-research institute tax credit (OBRITC) under section 97 of the *Taxation Act, 2007* (Ontario).
- The OBRITC is a 20% refundable tax credit based on qualified expenditures incurred in Ontario under an eligible contract with an eligible research institute (ERI).
- A list of eligible research institutes and the applicable ERI codes for eligible contracts can be found on our website. Go to www.cra.gc.ca/ctao and select "business-research institute tax credit".
- The criteria for a corporation to be eligible for the OBRITC include the eligibility requirements in Part 1 of this schedule.
- The annual qualified expenditure limit is \$20 million. If a corporation is associated with other corporations at any time in the calendar year, the \$20 million limit must be allocated among the associated corporations.
- Qualifying corporations are defined in subsection 97(3) of the *Taxation Act, 2007* (Ontario).
- For each eligible contract, you must complete a separate Schedule 569, *Ontario Business-Research Institute Tax Credit Contract Information*.
- Keep the eligible contract to support your claim. Do not submit the contract with the *T2 Corporation Income Tax Return*.
- To claim the OBRITC, include the following with the *T2 Corporation Income Tax Return*:
 - a completed copy of this schedule; and
 - a completed copy of Schedule 569 for each eligible contract.

Part 1 – Eligibility

1. Did the corporation, for the tax year, carry on business in Ontario through a permanent establishment in Ontario? **100** 1 Yes 2 No
2. Was the corporation exempt from tax for the tax year under Part III of the *Taxation Act, 2007* (Ontario)? **105** 1 Yes 2 No

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

Part 2 – Qualified expenditure limit for the tax year

Was the corporation associated at any time in the tax year with another corporation? **200** 1 Yes 2 No

If the corporation answered **no** at line 200, enter \$20,000,000 on line 205. If the corporation answered **yes** at line 200, complete Part 3 and enter on line 205 the expenditure limit allocated to the corporation in column 310 in Part 3.

Qualified expenditure limit **205** 20,000,000 A

If the tax year is 51 weeks or more, enter amount A on line 210.

If the tax year of the filing corporation is less than 51 weeks, complete the following proration calculation:

$$\text{Amount A } \underline{20,000,000} \times \frac{\text{days in the tax year } \underline{365}}{365} = \underline{\hspace{2cm}} \text{ B}$$

Qualified expenditure limit for the tax year (amount A or amount B, whichever applies) **210** 20,000,000 C



Part 3 – Allocation of the \$20 million expenditure limit between associated corporations

Use this part to allocate the \$20 million expenditure limit to the filing corporation and all its associated corporations for each of their tax years ending in the calendar year. See subsection 38(4) of Ontario Regulation 37/09 for expenditure limit allocation rules for associated corporations. Attach additional schedules if you need more space.

| | Name of all associated corporations, including the filing corporation (include the associated corporations that have a tax year that ends in the calendar year) | Business Number (enter "NR" if corporation is not registered) | Expenditure limit allocated |
|---|---|---|--|
| | 300 | 305 | 310 |
| 1. | ALECTRA UTILITIES CORPORATION | | 20,000,000 |
| 2. | Alectra Inc. | | |
| 3. | Alectra Real Estate Holdings Inc. | | |
| 4. | Horizon Solar Corp | | |
| 5. | Alectra Energy Solutions Inc. | | |
| 6. | Alectra Power Services Inc. | | |
| 7. | Alectra Energy Services Inc. | | |
| 8. | Util-Assist Inc. | | |
| 9. | 2323855 Ontario Inc. | | |
| 10. | Alectra Microgrid Services Master GP Inc. | | |
| 11. | Alectra Microgrid Services Project GP (Georgian) Inc. | | |
| Total expenditure limit (cannot exceed \$20 million) | | | 20,000,000 D |

Enter the expenditure limit allocated to the corporation on line 205 in Part 2.

Part 4 – Calculation of the Ontario business-research institute tax credit

| | | |
|---|------------|---------------------|
| Total number of eligible contracts used to determine the OBRITC for this tax year | 400 | <u>1</u> |
| Total qualified expenditures for all eligible contracts identified on line 400 for this tax year (total of amounts on line 310 in Part 3 of each Schedule 569) | 405 | <u>6,000</u> E |
| Qualified expenditure limit for the tax year (amount C in Part 2) | | <u>20,000,000</u> F |
| Qualified expenditures for the OBRITC for the tax year (amount E or F, whichever is less) | 410 | <u>6,000</u> |
| Ontario business-research Institute tax credit (line 410 x 20 %) | | <u>1,200</u> G |

Enter amount G on line 470 of Schedule 5, *Tax Calculation Supplementary – Corporations*.



ONTARIO BUSINESS-RESEARCH INSTITUTE TAX CREDIT CONTRACT INFORMATION

| | | |
|---|-------------------------------|--|
| Name of corporation ALECTRA UTILITIES CORPORATION | Business Number [REDACTED] | Tax year-end Year Month Day 2019-12-31 |
|---|-------------------------------|--|

- Use this schedule to support your claim for the Ontario business-research institute tax credit (OBRITC), which is made on Schedule 568, *Ontario Business-Research Institute Tax Credit*. Complete a separate Schedule 569 for each eligible contract.
- The OBRITC is a 20% refundable tax credit based on qualified expenditures incurred in Ontario under an eligible contract with an eligible research institute (ERI). An ERI, for purposes of the OBRITC, is defined in subsection 97(27) of the *Taxation Act, 2007* (Ontario).
- A list of eligible research institutes and the applicable ERI codes for eligible contracts can be found on our web site. Go to www.cra.gc.ca/ctao and select "business-research institute tax credit".
- The eligibility requirements in Part 2 of this schedule must be met for the qualifying corporation to claim an OBRITC for this contract.
- Eligible contracts entered into before August 10, 2007 were subject to advanced ruling legislation. OBRITC claims relating to one of these contracts must have the corresponding Ontario Ministry of Revenue ruling reference number entered at line 130 in Part 1 of this schedule.
- Corporations can only claim the OBRITC for the number of days in the tax year that the corporation **was not** connected to the ERI. Connected corporations, for the purposes of the OBRITC, are defined in subsection 97(4) of the *Taxation Act, 2007* (Ontario).
- Eligible contracts and qualified expenditures are defined in subsections 97(6) and 97(8), respectively, of the *Taxation Act, 2007* (Ontario).
- According to subsections 97(16) and (19) of the *Taxation Act, 2007* (Ontario), qualified expenditures must be reduced by contributions the corporation received, is entitled to receive or may reasonably expect to receive. Qualified expenditures include repayment of government assistance made by the corporation during the year. Contribution and government assistance are defined in subsection 97(27) of the *Taxation Act, 2007* (Ontario).

Part 1 – Contract details

| | |
|--|--|
| 100 Name of person to contact for more information [REDACTED] | 105 Telephone number including area code [REDACTED] |
| 110 Name of the ERI on the contract YORK UNIVERSITY | |
| 115 ERI code 121 | 120 Date of contract Year Month Day 2018-09-05 |
| If the date on line 120 is before August 10, 2007, was the contract subject to an advanced ruling? . . . | 125 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> |
| For all contracts entered into before August 10, 2007, enter the Ontario Ministry of Revenue ruling reference number | 130 <input type="text"/> – <input type="text"/> |
| Is the claim filed for an OBRITC earned through a partnership?* | 135 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> |
| If the answer on line 135 is yes , are you a specified member? | 140 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/> |
| If the answer on line 135 is yes , what is the name of the partnership? | 145 <input type="text"/> |
| Enter the corporation's percentage share of the income or loss of the partnership's fiscal period ending in the corporation's tax year | 150 <input type="text"/> % |

* When a corporate member of a partnership is claiming an amount for qualified expenditures incurred during the tax year under the eligible contract by the partnership, complete Schedule 569 as if the partnership were a corporation. Each corporate member, other than a specified member, should file a Schedule 569 as if it, instead of the partnership, had entered into the contract with the ERI and can claim the corporation's share of the partnership's qualified expenditures. Specified members of a partnership cannot claim an OBRITC. A definition of "specified member" can be found in subsection 248(1) of the federal *Income Tax Act*.



Part 2 – Eligibility

Contract:

- 1. Did the corporation enter into a contract with an ERI? **200** 1 Yes 2 No
- 2. Do the terms of the contract state that the ERI agrees to perform, in Ontario, scientific research and experimental development (SR&ED) related to the business carried on in Canada by the corporation? **205** 1 Yes 2 No
- 3. Was the corporation entitled to exploit the results of the SR&ED carried out under the contract? **210** 1 Yes 2 No

If you answered **no** to question 1, 2, or 3, the contract is **not an eligible** contract for the purposes of an OBRITC.

Expenditures:

- 4. Were the expenditures made by a payment of money by the corporation to the ERI or by a prescribed payment? **215** 1 Yes 2 No
- 5. Were the expenditures incurred in respect of SR&ED carried on in Ontario by the ERI? **220** 1 Yes 2 No
- 6. Are the expenditures identified in subparagraph 37(1)(a)(i), (i.1) or (ii) of the federal *Income Tax Act* and would they also qualify as qualified expenditures, as defined in subsection 127(9) of the federal Act, other than prescribed types of expenditures and certain salaries or wages? **225** 1 Yes 2 No
- 7. Were the expenditures incurred by the corporation for purposes of SR&ED related to the business carried on in Canada by the corporation? **230** 1 Yes 2 No

If you answered **no** to question 4, 5, 6, or 7, the expenditures are **not eligible** expenditures for the purposes of an OBRITC.

Part 3 – Qualified expenditures for this contract for the tax year

Qualified expenditures incurred in the tax year **300** 6,000

If the corporation answered **yes** at line 135 in Part 1, and **no** at line 140 in Part 1, determine the partnerships' share of qualified expenditures available to claim in the tax year:

Line 300 6,000 x percentage on line 150 in Part 1 _____ % = _____ A

Number of days in this tax year that the corporation was **not** connected to the ERI identified on line 110 in Part 1 **305** 365

Qualified expenditures for this contract for the tax year:

(Line 300 or amount A, whichever applies) x line 305 2,190,000 = **310** 6,000 B
number of days in the tax year 365

Enter amount B on line 405 of **Schedule 568, Ontario Business-Research Institute Tax Credit.**

JT-1.1.13

**Attachment 2
2019 Opening UCC Rec**

Please see live Excel

JT-1.1.13

**Attachment 3
Actual Additions**

Please see live Excel

JT-1.1.13

**Attachment 4
All Impact ICM Projects**

Please see live Excel

JT-1.1.13

**Attachment 5
DVA Continuity Schedule ERZ**

Please see live Excel

JT-1.1.13

**Attachment 6
DVA Continuity Schedule PRZ**

Please see live Excel

JT-1.1.13

**Attachment 7
DVA Continuity Schedule BRZ**

Please see live Excel

JT-1.1.13

**Attachment 8
DVA Continuity Schedule HRZ**

Please see live Excel

JT-1.1.13

**Attachment 9
DVA Continuity Schedule GRZ**

Please see live Excel

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.1**

5
6 **Interrogatory #1-ED-1**

7
8 In response to this interrogatory, Alectra stated as follows: “Alectra Utilities considered NWS
9 options for all significant distribution investments as part of the capital planning process.”
10 How does Alectra define “significant” in this sentence and interrogatory response? If that
11 involves a financial threshold, please explain.

12
13 **RESPONSE:**

14
15 Alectra Utilities notes that the term “significant” in its response to 1-ED-1 was used in the
16 context of the preliminary NWS screening undertaken as part of the capital planning process.
17 In this Application, Alectra Utilities applied the Preliminary NWS Framework to capacity-
18 driven system needs, with the objective of identifying opportunities to defer or avoid
19 traditional infrastructure investments.

20
21 In that context, “significant distribution investments” refers to material capacity-related station
22 and associated line capacity investments in the DSP that could plausibly be candidates for
23 NWS deferral under the gate-based screening process, and that meet the \$2MM materiality
24 threshold referenced in the OEB BCA Framework and reflected in Gate 1 of the Preliminary
25 NWS Framework.

26
27 Consistent with the Preliminary NWS Framework and documentation approach described in
28 2-Staff-46, where capacity-related investments with an expected capital cost of \$2MM or
29 more were screened and NWS was not advanced, Alectra Utilities documented the screening
30 outcomes and rationale (please see responses to 2A-SEC-40 and 2-ED-7).

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.2**

5
6 **Interrogatory #1-ED-2**

7
8 In this interrogatory response, Alectra provided details regarding the extent to which it has
9 met the deadlines set out in the DSC and DERCP regarding micro connections. However, it
10 did not provide similar requested information regarding the other DER categories (small, mid-
11 sized, large). Please provide a table listing the deadlines in the DSC and DERCP applicable
12 to those DER categories. For each deadline, please provide an estimate of Alectra's
13 compliance rate (i.e. the percentage of instances in which it met the applicable deadline). A
14 five-year average would be ideal. If a complete response would be too onerous, please
15 provide a response based on random sampling and indicate how Alectra ensured the
16 sampling was random and sufficiently statistically significant.

17
18 **RESPONSE:**

19
20 The Table 1 below shows applicable Distributions System Code (DSC) / Distributed Energy
21 Resources Connection Procedures (DERCP) compliance deadlines/targets for the DER
22 categories requested, namely small, mid-sized, large, together with Alectra Utilities' 2025
23 performance for each applicable deadline/target. The Table includes average completion
24 times and compliance rates, expressed as the percentage of applications for which the
25 applicable compliance target was met. The classifications of Small/Mid-Size/Large are in
26 accordance with OEB definitions.

27
28 Alectra Utilities provided 2025 data only, as the utility commenced tracking this information
29 at this level of granularity in January 2025. Accordingly, a five-year average is not available.

1 **Table 1 - DSC/DERCP Deadlines and Compliance Rates, 2025**

| Compliance Criteria | Number of Applications | OEB/DERCP Mandated Target, Days¹ | Average Response Time, Days¹ | OEB/DERCP Compliant Applications | Compliance Rate, % |
|---|-------------------------------|--|--|---|---------------------------|
| Micro-embedded DER: Up to 10 kW | | | | | |
| Preliminary Consultation Information Request (PCIR) | 371 | 15 | 8.65 | 313 | 84.37% |
| Micro Embedded Generation Connections | 211 | 5 | 2.40 | 199 | 94.31% |
| Small-sized DER: 11 kW to 500 kW at <15kV; OR 11 kW to 1 MW at >=15kV | | | | | |
| Preliminary Consultation Information Request (PCIR) | 170 | 15 | 12.74 | 129 | 75.88% |
| Connection Impact Assessment | 37 | 60 | 38.49 | 35 | 94.59% |
| Connection Cost Agreement | 26 | 45 | 9.81 | 25 | 96.15% |
| Mid-sized DER: 500kW to 10 MW at < 15 kV; OR 1 MW to 10 MW at >= 15 kV | | | | | |
| Preliminary Consultation Information Request (PCIR) | 48 | 15 | 16.88 | 33 | 68.75% |
| Connection Impact Assessment | 2 | 60 | 43.50 | 2 | 100.00% |
| Connection Cost Agreement | 8 | 45 | 27.25 | 7 | 87.50% |
| Large-sized DER: larger than 10 MW | | | | | |
| Preliminary Consultation Information Request (PCIR) | 0 | 15 | N/A | 0 | N/A |
| Connection Impact Assessment | 0 | 60 | N/A | 0 | N/A |
| Connection Cost Agreement | 2 | 45 | 34.00 | 2 | 100.00% |

¹ Calendar Days

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.3**

5
6 **Interrogatory #2-ED-9**

7
8 This interrogatory requested internal NWS screening documentation. The response refers to
9 a “description” of the “Preliminary NWS Framework” but does not actually attach said
10 document. Please provide a copy of the relevant internal document. If no such document
11 exists, please explain what Alectra is referring to when it speaks of its Preliminary NWS
12 Framework.

13
14 **RESPONSE:**

15
16 The "Preliminary NWS Framework" refers to the screening methodology and evaluation
17 criteria filed in evidence at Exhibit 2A, Tab 1, Schedule 1, Sections 5.3.5.4. Section 5.3.5.5
18 explains how that framework was applied in this DSP.

19
20 Please also refer to Interrogatory Responses 2-Staff-46 and 2-ED-7. As explained in those
21 IRRs, this DSP filing Alectra Utilities implemented the Preliminary NWS Framework as a
22 principles-based, four-gate screening framework applied to capacity-driven investments. The
23 application of that framework is documented in the filed evidence and related IRRs, including
24 the station-level evaluation in 2A-SEC-40, the lines-level evaluation in 2-ED-7 Attachment 1,
25 and the BCA materials filed in 2A-SEC-41 and 2-Staff-47.

26
27 Alectra Utilities confirmed in 2-ED-7 that, other than the filed DSP evidence and the project-
28 specific rationale provided in the IRRs, there is no additional standalone NWS assessment
29 documentation.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
 2 **ENVIRONMENTAL DEFENCE**

3
 4 **JT-1.2.4**

5
 6 **Interrogatory #2-ED-10**

7
 8 Please provide a single consistent table listing the forecast DER connections (# and MW) by
 9 type, including solar, energy storage, gas, biomass, diesel, and any other relevant DER
 10 types.

11
 12 **RESPONSE:**

13
 14 Table 1 below shows annual forecasted DER connections (by number and MW) between
 15 2027 and 2031, broken down by type (Solar, Energy Storage, and Other). The Other category
 16 includes gas, biomass, diesel, and other forms of energy. Alectra Utilities forecasted these
 17 types on a cumulative basis, because historical additions for these individual DER types have
 18 not been consistent.

19
 20 The numbers presented in the table below are exactly the same as those presented in the
 21 two tables in the response to IR 2-ED-10.

22
 23 **Table 1 - Annual Forecasted DER Connections**

| DER Technology | 2027 (QTY) | 2027 (MW) | 2028 (QTY) | 2028 (MW) | 2029 (QTY) | 2029 (MW) | 2030 (QTY) | 2030 (MW) | 2031 (QTY) | 2031 (MW) | Total (QTY) | Total (MW) |
|----------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|--------------|--------------|
| Solar | 388 | 6.6 | 392 | 6.68 | 397 | 6.76 | 402 | 6.84 | 407 | 6.92 | 1,986 | 33.81 |
| Energy Storage | 3 | 2.56 | 3 | 2.65 | 4 | 2.75 | 4 | 2.86 | 4 | 2.96 | 18 | 13.78 |
| Other | 7 | 8.45 | 7 | 8.53 | 7 | 8.62 | 7 | 8.7 | 7 | 8.79 | 35 | 43.1 |
| Totals | 398 | 17.61 | 402 | 17.87 | 408 | 18.13 | 413 | 18.40 | 419 | 18.68 | 2,040 | 90.69 |

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.5**

5
6 **Interrogatory #2-ED-11**

7
8 This interrogatory response provides unit cost estimates for residential development
9 connections but did not provide a breakdown between connections for all-electric
10 developments and those with gas heating. Please provide that requested breakdown.
11 Although Alectra does not track which developments are and are not all-electric as part of its
12 regular operations, that information should be obtainable by Alectra. If it would be onerous
13 to obtain this information for all residential subdivision connections, please provide a
14 response based on random sampling and indicate how Alectra ensured the sampling was
15 random and sufficiently statistically significant.

16
17 Also, what does EEM stand for?

18
19 **RESPONSE:**

20
21 Alectra Utilities does not track whether residential developments are designed as all-electric
22 or gas-heated developments as part of its regular planning, design, or financial tracking
23 processes.

24
25 Subdivision project records typically capture information related to electrical infrastructure
26 requirements, lot counts, and service capacity (e.g., standard 200A residential service), but
27 they do not consistently record the type of space heating used within individual homes. As a
28 result, Alectra Utilities does not maintain a dataset that would allow subdivision connection
29 costs to be categorized by heating type.

30
31 Producing such a breakdown would require a manual review of individual subdivision designs
32 and potentially coordination with developers or municipalities to determine the heating

1 configuration of homes within each development. This information is not consistently
2 available in Alectra Utilities' internal records and may vary within a given subdivision. As
3 such, Alectra Utilities cannot produce a reliable or statistically valid breakdown of subdivision
4 connection costs between gas-heated and all-electric developments.

5

6 EEM refers to Alectra Utilities' Economic Evaluation Model, which is used to determine the
7 appropriate allocation of costs between the distributor and developers for system expansion
8 projects.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.6**

5
6 **Interrogatory #2-ED-14**

7
8 This interrogatory response lists a relevant station has having thermal constraints whereas
9 the response to 2-ED-12 indicated that all DER connection constraints were short circuit
10 constraints, not thermal constraints. Please explain the potential conflict.

11
12 **RESPONSE:**

13
14 Alectra Utilities acknowledges that its response to Interrogatory 2-ED-12 contained an error.
15 Table 2 in the response to Interrogatory 2-ED-14 is correct. The relevant constraint at HONI-
16 owned Woodbridge TS is a thermal constraint, not a short circuit constraint.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.7**

5
6 **Interrogatory #2-ED-17**

7
8 The response to this interrogatory is unclear. Can Alectra confirm that any fossil fuel
9 equipment that it owns that may be replaced over the rate period will be replaced with electric
10 equipment? If not, please provide a response to parts (b) and (c) of this question.

11
12 **RESPONSE:**

13
14 Alectra Utilities confirms that the utility does not have any plans to replace any fossil fuels
15 with electric equipment in its facilities between 2026-2031.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.8**

5
6 **Interrogatory #2-ED-18**

7
8 The response to part (c) of this interrogatory is not entirely clear. We asked:

9
10 c) If all homes heated with gas were to be electrified by 2050, approximately what
11 percent of the conductors and transformers that Alectra expects to install over the
12 rate term would need to be replaced by 2050 to meet the increased demand (with all
13 other aspects of Alectra's load forecast remaining unchanged)? Please provide as
14 much of a specific answer to this question as possible and make and state
15 assumptions as necessary. For instance, Alectra could assume that homes are
16 electrified via 50% air-source and 50% ground-source heat pumps.

17
18 Alectra responded saying:

19
20 c) The conductors and distribution transformers installed over the 2027-2031 period of
21 this application would be sufficiently sized to meet increased demand driven by
22 electrification.

23
24 Does Alectra's answer mean that the conductors and distribution transformers installed over
25 the 2027-2031 period of this application would be sufficiently sized to meet increased
26 demand driven by 100% electrification of all homes currently heated with gas by 2050? If not,
27 please provide the rest of the information sought in part (c) of the interrogatory.

28
29 **RESPONSE:**

30
31 Yes, the conductors and distribution transformers installed during the 2027–2031 period are
32 expected to have sufficient capacity to accommodate the incremental load associated with

1 full electrification of homes currently heated with natural gas assuming that all other loads
2 remain same. Should additional localized capacity be required, Alectra Utilities can deploy
3 supplementary distribution transformers to address those needs. At this time, Alectra Utilities
4 does not anticipate the need for premature replacement of these assets prior to the end of
5 their useful service life.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.9**

5
6 **Interrogatory #2-ED-18**

7
8 This interrogatory asked, among other things, for Alectra to discuss “the feasibility and
9 potential savings from offering customers seeking a service upgrade an alternative option via
10 a load sharing device (e.g. circuit pauser or 17 smart panel).” The word “offer” in the question
11 was not ideal, or too imprecise. In response, Alectra noted that selling such technologies to
12 its customers could be outside of its allowable business activities.

13
14 Please provide an updated answer to the interrogatory on the assumption that Alectra would
15 encourage alternatives to services upgrades through allowable activities, such incentives for
16 customers to pursue such options as a non-wires alternative.

17
18 Residential service upgrades are expected to cost \$113.40 million over the rate period,
19 including \$52.90 million in costs that will be borne by ratepayers and added to rate base.
20 Additional commentary on this potential solution to avoid or reduce said costs is warranted.

21
22 Also, Alectra described the technology at issue in this interrogatory as being behind-the-
23 meter, but that does not appear to apply to the SPAN edge, which is “utility-grade
24 infrastructure, only available to utility companies for deployment”
25 (<https://www.span.io/products/edge>). In light of this, what is Alectra’s position on whether
26 directly offering this to customers as an alternative to service upgrades would be within
27 Alectra’s allowable business activities?

28
29 **RESPONSE:**

30
31 Alectra Utilities wishes to clarify that the related Interrogatory response is 2-ED-19 and not
32 2-ED-18.

1 Furthermore, Alectra Utilities wishes to correct the caption label of Table 1 in part a) of IR
2 response 2-ED-18. The correct caption label is “Table 1 – Number of Residential and
3 Commercial Layouts with Capital Costs”. For greater clarity, investments in residential and
4 commercial layouts include work to prepare the system for new residential and commercial
5 infill services and upgrades. These investments are driven by customer requests and vary
6 based on the type, location, size and connection specifics. The work includes the
7 construction of the connection (either underground or overhead) from the main distribution
8 infrastructure on the boulevard to the customers’ building. Alectra Utilities is obligated to
9 connect customers as per the DSC. Without a connection to the main distribution
10 infrastructure, the customer would not have electrical service available in the building.

11

12 Ultimately, the decision to upgrade a service rests with the individual customer. To the extent
13 that alternatives to a traditional service upgrade are available and would meet customers’
14 needs, Alectra Utilities supports providing education for customers to enable informed
15 decisions, as well as future opportunities to provide alternatives to traditional upgrades within
16 its regulated business activities.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.10**

5
6 **Interrogatory #2-ED-22**

7
8 High-rise residential buildings and commercial buildings tend to be summer peaking if they
9 are heated with gas but winter peaking if they are heated with electricity. Also, electrically-
10 heated buildings tend to have relatively lower summer peak demand due to more efficiency
11 cooling systems (e.g. geothermal cooling, which is much more efficient than traditional air
12 conditioning).

- 13
14 a) Does Alectra agree? If not, please explain why.
15 b) Assuming the above statement is true, please comment on whether electrically-heated
16 buildings will cause fewer distribution costs compared to gas-heated buildings because
17 Alectra is summer peaking.
18 c) Please indicate whether demand charges for these customer types differ in the summer
19 versus the winter.
20 d) If demand charges are the same in the winter and the summer, would Alectra agree that
21 electrically-heated buildings are overcharged vis-à-vis gas-heated buildings due to their
22 lesser contribution to the distribution system peak (which is in the summer)?
23 e) Please provide a table showing all of Alectra's proposed demand charges, and a revised
24 set of demand charges that differentiate between summer and winter demand, which
25 would reflect the fact that winter demand is less expensive to serve. This can be done on
26 a high-level, illustrative, best-efforts basis. If Alectra is unwilling to do this, please provide
27 all the data necessary for Environmental Defence to hire a consultant to do so.
28 f) Does Alectra agree that having different summer and winter demand charges would be
29 more consistent with cost causality? If not, why not?
30 g) If Alectra opposes differential summer and winter demand charges, please comment on
31 other ways that the differential costs arising from summer and winter demand can be
32 reflected in the distribution charges paid by Alectra customers.

1 **RESPONSE:**

2

3 a) Alectra Utilities does not collect information regarding whether individual buildings are
4 heated using natural gas or electricity and therefore cannot verify the load characteristics
5 described.

6

7 b) Alectra Utilities does not maintain customer classification data based on heating type and
8 therefore cannot assess the specific distribution cost impacts associated with gas-heated
9 versus electrically-heated buildings.

10

11 c) Alectra Utilities proposed demand charges do not differentiate between summer and
12 winter billing periods. Demand charges are applied consistently throughout the year
13 based on measured customer demand.

14

15 d) Alectra Utilities does not differentiate customers based on heating technology when
16 applying distribution demand charges. Customers are billed based on their measured
17 demand and applicable rate class, consistent with the approved rate design framework.

18

19 e) Alectra Utilities has not developed seasonal demand charges. Distribution demand
20 charges under the current OEB Tariff of Rates and Charges are based on average peak
21 demand and do not differentiate by season. Alectra Utilities cannot speculate on the
22 datasets that Environmental Defence would require to conduct the analysis referred to in
23 the question.

24

25 f) Alectra Utilities current rate design reflects the framework approved by the OEB and does
26 not differentiate between summer and winter demand, and cannot speculate on the
27 impact of hypothetical seasonal demand charges.

28

29 g) Alectra Utilities cannot speculate on what its position would be in respect of hypothetical
30 and unspecified seasonal cost differences in distribution rates. If such demand charges
31 were to be proposed, they would require further analysis and regulatory review.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.11**

5
6 **Interrogatory #2-ED-24**

7
8 Please confirm the percent of residential meters that Alectra plan to replace with an AMI 2.0
9 meter by the end of the rate term. Please also confirm the total overall percent of residential
10 customers that Alectra expects will have an AMI 2.0 meter by the end of the rate term.

11
12 **RESPONSE:**

13
14 Alectra Utilities will replace 94% of its AMI 1.0 meters with an AMI 2.0 meter by the end of
15 the rate term.

16
17 At the end of the rate term, 94% of Alectra Utilities' residential customers will have an AMI
18 2.0 meter.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.12**

5
6 **Interrogatory #2-ED-25&26**

7
8 These two interrogatories asked Alectra to compare its load forecasts with two pathways
9 studies that examine the most cost-effective pathway to decarbonize the province through
10 an optimization model. Both studies include forecasts of how much of electrification of space
11 heating will occur. Alectra declined to compare its load forecasts to these pathways studies.
12 However, this comparison is relevant to an assessment to Alectra's load forecasts. Please
13 undertake the comparison. A very high-level comparison is sufficient, such as indicating the
14 approximate direction and degree of divergence, if any.

15
16 On a going forward basis, when Alectra is undertaking energy transition planning and
17 forecasting long-term load growth, does it agree to consider optimization-based pathways
18 studies examining the most cost-effective pathway to decarbonize the province as one
19 potential input and scenario?

20
21 **RESPONSE:**

22
23 Alectra Utilities notes that this undertaking relates only to interrogatory 2-ED-26.

24
25 Alectra Utilities understands that the Cost-Effective Energy Pathway study was used as one
26 of numerous inputs to inform the development of the Province of Ontario's Energy For
27 Generations: Ontario's Integrated Plan to Power the Strongest Economy in G7 (June 2025),
28 and Alectra Utilities' 2027-2031 DSP is consistent and aligned with that plan.

29
30 Optimization-based pathways require an economy-wide perspective, such as that used in
31 the Cost-Effective Energy Pathways Study, which identifies least-cost system trajectories for

- 1 Ontario using integrated modelling frameworks. This work extends beyond the scope of
- 2 individual LDC planning.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.13**

5
6 **Interrogatory #8-ED-34**

7
8 This interrogatory response included the following: “The total cost of postage and printing in
9 2025 was \$11,328,238 in relation to 1,091,369 total customers, resulting in an annual per-
10 customer postage & printing cost of \$10.38. Postage and printing costs are not tracked by
11 rate class.” However, the number of customers receiving paper bills is 506,672 not
12 1,091,369. Also, the cost of paper billing likely includes more than postage and printing, such
13 as staffing costs and costs for the systems used to prepare and send out the bills. Please
14 provide an all-in estimate of the cost paper billing per customer receiving paper billing. If
15 Alectra believes it is materially different for residential versus non-residential customers,
16 please provide that breakdown on a best-efforts basis.

17
18 **RESPONSE:**

19
20 There is no difference in the per bill cost of producing a bill between residential or commercial
21 customers. The cost to produce a bill, including associated labour and supporting technology
22 applications, is substantially the same for customers receiving either a paper bill or an e-bill.

23
24 The primary distinction in costs between customers relates to the method of bill delivery.
25 Regardless of the delivery channel selected by the customer, Alectra generates and retains
26 a digital rendering of each bill. This ensures that customers who elect to receive a paper bill
27 continue to have access to their historical billing information through the online portal.
28 Furthermore, Alectra’s CIS application is configured to distinguish between customers
29 enrolled in e-billing and those receiving paper bills. This designation is used to trigger the
30 appropriate file output, directing the billing record either to Alectra’s bill print vendor for
31 physical printing and distribution or the electronic notification application for digital delivery.

- 1 Alectra estimates the all-in cost of paper billing in 2025 at \$18.99 per paper-billed customer
- 2 per year. This includes digital bill rendering, printing, and postage/delivery costs. This cost is
- 3 the same between residential and non-residential customers.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.14**

5
6 **Interrogatory #8-ED-35**

7
8 In this interrogatory response, Alectra declined to provide “a high-level, best-efforts, order-
9 of-magnitude comparison between the cost to serve a single residential customer in the
10 highest population dense area within Alectra territory versus a single residential customer in
11 the lowest population dense area within Alectra territory. Please provide a quantitative
12 answer using an expedient approach. Please account for capital costs and operational costs.
13 If Alectra is unsure how to calculate an answer, please contact us for suggestions.”

14
15 (a) Information of this nature is relevant to Alectra’s proposed rate design and rate
16 harmonization proposals, including whether differential residential services charges
17 should be levied based on density. Please try to provide a response on a best-efforts
18 basis.

19 (b) Hydro One’s density-based residential service charges are as follows:

20

| | Urban density year-round | Medium density year- round | Low density year-round |
|-----------------------------------|-----------------------------|----------------------------------|---------------------------|
| Monthly service charge (\$/month) | \$42.20 | \$72.06 | \$85.46 |

21
22
23 If Alectra were to adopt the same or similar categories, what would its proposed
24 residential monthly residential services charges be per category? Please provide a
25 response on a best-efforts basis. Approximate ranges with caveats would be sufficient.
26 In responding, Alectra may use Hydro One’s density categories or base its response on
27 different density categories (e.g. a density categorization that may be simpler for rate
28 calculations). If Alectra is unwilling to answer, please provide the data necessary for
29 Environmental Defence to retain its own consultant to do so.

1 **RESPONSE:**

2

3 (a) Alectra Utilities is an urban utility, with its entire service area within Census Metropolitan
4 Areas. There are no material changes in the relative use, maintenance, and operation of
5 the distribution system across different rate zones.

6

7 (b) Density-based charges are relevant when there is a significant density differentiation
8 between various areas. For example, referencing the Hydro One Networks' *Customer*
9 *Density and Distribution Service Costs report*¹: "The average customer density of the low-
10 density sample areas is 6 customers per square kilometre or 3 customers per circuit
11 kilometre. The average customer density of the medium-density sample areas is 43
12 customers per square kilometre or 16 customers per circuit kilometre. The average for
13 the high-density sample areas is 291 customers per square kilometre or 40 customers
14 per circuit kilometre." This translates to a high-density vs. low-density ratio of 48.5 (i.e.,
15 291 over 6).

16 In comparison, Alectra Utilities' customer density per square kilometer of the service
17 territory ranges from 434 to 639 customers (i.e., 1.5 ratio). There are no material changes
18 in the relative use, maintenance, and operation of the distribution system across different
19 rate zones. Therefore, Alectra Utilities does not see the relevance of providing an
20 analysis or attempting to estimate rates based on population density.

¹ Customer Density and Distribution Service Costs, A Report Prepared for Hydro One Networks, Inc. by London Economics International LLC and PowerNex Associates Inc., November 11, 2011

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.15**

5
6 **Interrogatory #8-ED-36**

7
8 Approximately what percent of call centre calls could be eliminated by customers obtaining
9 the information online or using an automated alternative (i.e. what percent are avoidable)? A
10 rough estimate based on the professional judgement of a call centre manger is sufficient.
11 Please provide all of the figures in this interrogatory response, but limited only to those calls
12 that are avoidable (e.g. the number of interactions, the total cost, and the cost per
13 interaction).

14
15 **RESPONSE:**

16
17 As shown at Exhibit 4, Tab 2, Schedule 7, page 15, Table 4-2-45 the forecast of call centre
18 resourcing assumes that in 2027 15% of customer interactions will be addressed through
19 online or automated alternatives (i.e. this volume of customer interactions will not require a
20 customer service representative) and the percentage is expected to increase to 18% by
21 2031.

22
23 As referenced in 8-ED-36, the cost to operate the contact center in 2025 was \$11.91 million.
24 During that period, the contact center managed 535,795 calls and 138,530 email inquiries,
25 resulting in an average cost of \$17.66 per interaction.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.16**

5
6 **Interrogatory #8-ED-48**

- 7
8 (a) Do the tables in this interrogatory response account for all project management and
9 commissioning costs? If not, please add those.
10 (b) Does table 1 mean that there will be no cost to a customer connecting a micro DER if
11 that customer already has a bidirectional meter (e.g. an AMI 2.0 meter)? If not, please
12 explain.
13 (c) Please explain the reference to Gross Load Billing as a connection charge in tables 2 &
14 3.

15
16 **RESPONSE:**

- 17
18 (a) Yes, the tables in the Interrogatory Response 8-ED-48 account for all project
19 management and commissioning costs. For Macro projects (above 10 kW), the estimate
20 provided to the prospective DER also includes a 15% contingency. The DER pays the
21 actual connection cost, and a true-up is performed at the completion of the project to
22 reconcile the estimate to the actual cost.
23
24 (b) No. Table 1 should not be interpreted to mean that there will be no cost to a customer
25 connecting a micro-embedded DER facility that already has a bidirectional meter. Alectra
26 Utilities is currently reviewing the metering charges applicable to Micro DER customers
27 in the context of the AMI 2.0 rollout.
28
29 (c) Alectra Utilities notes that Gross Load Billing in Tables 2 and 3 applies to certain Demand
30 Billed Load Customers with Load Displacement Generation or Energy Storage Facilities
31 that meet the following criteria:

- 1 i. Operated in parallel with or in isolation from Alectra Utilities' distribution System;
- 2 and
- 3 ii. Average peak load of 50 kW or more; and
- 4 iii. Rated generation capacity of 50 kW or more; OR
- 5 Solar Generation projects greater than 500 kW

6

7 Alectra Utilities owns and maintains the Gross Load Billing meter and associated

8 equipment, while the DER customer is responsible for Alectra Utilities' cost of the

9 metering equipment and installation. Customers meeting the criteria above are billed at

10 the gross demand level for the following:

- 11 1) Retail Transmission rate - Line Connection and Transformation Connection
- 12 Service charges; and
- 13 2) Distribution Volumetric charges.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.17**

5
6 **Interrogatory #8-ED-49**

7
8 This interrogatory was answered based on the assumption that Alectra is not able to treat
9 DERs with a nameplate capacity above 12kW as a micro-generation connection. However,
10 that is incorrect, per s. 6.2.24 of the DSC, which reads as follows

11
12 “A distributor may by written agreement with an applicant who is proposing to connect
13 a small, mid-sized or large embedded generation facility provide that the process for
14 connecting the generation facility to be followed is the process set out for a smaller
15 category of embedded generation facility, including a micro- embedded generation
16 facility.”

17
18 (a) Please provide an updated response to the interrogatory based on that information. For
19 (b), the reference should be to above 12 kW. Also, in the response to (c), please provide
20 a table comparing (i) the average all-in cost and (ii) the full process time from application
21 to connection, for (i) micro applications and (ii) simplified small applications.

22
23 When preparing the response, please comment on the IREC Model Interconnection
24 Procedures, 2023, which indicate that DERs should be able to avoid a connection impact
25 assessment if the meet certain screens and their capacity is 50 kW nameplate and 25
26 kW exporting. See [https://irecusa.org/resources/irec-model-interconnection-procedures-](https://irecusa.org/resources/irec-model-interconnection-procedures-2023/)
27 [2023/](https://irecusa.org/resources/irec-model-interconnection-procedures-2023/).

28
29 (b) Would Alectra study or consider any of the other screens outlined in the IREC Model
30 Interconnection Procedures as a means to utilize s. 6.2.24 of the DSC to reduce the
31 connection cost and time of eligible DER connections?

1 **RESPONSE:**

2

3 Alectra Utilities does not agree with the statement that Interrogatory Response 8-ED-49 was
4 answered on the assumption that Alectra Utilities is unable to treat DERs above 12 kW as a
5 micro-generation connection. Alectra Utilities' response to 8-ED-49 was based on the fact
6 that DER connection procedures, timelines, cost responsibilities, and applicable thresholds
7 are established by the OEB through the Distribution System Code ("DSC") and Distributed
8 Energy Resources Connection Procedures ("DERCP").

9

10 DSC s.6.2.24 enables a distributor, by written agreement with an applicant, to apply a
11 smaller-category process to a larger-category facility. This provision is permissive, not
12 mandatory, and does not change the OEB-established threshold definitions for micro-
13 embedded generation facilities. In instances where an applicant requests the application of
14 a smaller-category process under DSC s.6.2.24, Alectra Utilities considers the request on a
15 case-by-case basis, subject to technical feasibility and continued compliance with the
16 DSC/DERCP.

17

18 Alectra Utilities maintains that the IREC Model Interconnection Procedures are US-based
19 and not applicable to Ontario's OEB-established DSC/DERCP framework, and Alectra
20 Utilities declines to comment on IREC procedures.

21

22 (a) Alectra Utilities' responses to 8-ED-49(a), (c), and (d) remain as filed.

23

24 8-ED-49 part (b)

25 (corrected to "above 12 kW"): Alectra Utilities notes that the OEB amendments¹ increase the
26 maximum nameplate capacity for a micro-embedded generation facility from 10 kW to 12 kW
27 effective May 1, 2026. DERs above 12 kW are not micro-embedded generation facilities
28 based on the OEB threshold. As stated in part 8-ED-49(a) Alectra Utilities will implement the
29 OEB's final amendments to the DSC and the corresponding DERCP, effective May 1, 2026.

¹ Notice of Amendments to the Distribution System Code. December 18, 2025. EB-2019-0207.

1 The requested table comparing costs and processing timelines for Micro and Simplified Small
 2 applications is provided below:

3

4 **Table 1 - Comparison of DER Connection Costs and Processing Timelines**

| Connection Type | Cost ² | Process Time from Application to Connection (Per DERCP) |
|-------------------------------------|---|---|
| Micro Application | \$550.06 (includes bi-directional metering fixed) <i>See Interrogatory Response 8-ED-48 Table 1</i> | <ul style="list-style-type: none"> ○ Offer to Connect: 15/30/60 days depending on whether a site assessment is required and whether the facility is at an existing customer connection. ○ Applicant acceptance window: at least 30 days to accept the Offer to Connect. ○ Connection completion: once service conditions are satisfied (including ESA authorization), the Connection Agreement is in place, and required connection costs are paid, the distributor connects within 5 business days (or such later date as agreed). |
| Simplified Small Application | \$3,053.46 (includes CIA \$500 + project supervision \$1,000 + bi-directional metering \$1,553.46) <i>See Interrogatory Response 8-ED-48 Table 2</i> | <ul style="list-style-type: none"> ○ CIA, Cost estimate, Offer to Connect: issued within 60 / 75 / 90 days depending on whether reinforcement/expansion is required and whether a host distributor/transmitter CIA is needed. <ul style="list-style-type: none"> ▪ Simplified CIA: the DERCP requires distributors to offer a simplified CIA option for eligible small DERs. Appendix E indicates a recommended simplified CIA timeline of 30 days. ○ Connection Cost Agreement (CCA): must be signed within 6 months from the date the applicant receives the technical requirements under the CIA process. ○ Build and Energization (after CCA execution): kick-off meeting within 45 days, and distributor engineering design review completed within 1 month after receiving all required information/documents. |

² Alectra Utilities is currently reviewing the charges and cannot confirm at this time whether any fee amounts will change as of May 1, 2026.

1 Alectra Utilities notes that the response to JT-1.2.2 provides Alectra Utilities' tracked
2 performance against applicable DSC/DERCP deadlines (including average completion times
3 and compliance rates) from January 2025.

4

5 (b) Alectra Utilities maintains its filed position that the IREC Model Interconnection
6 Procedures are US-based and not applicable to Ontario's OEB-established DSC/DERCP
7 framework, and Alectra Utilities declines to comment on IREC procedures.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.18**

5
6 **Interrogatory #8-ED-50**

- 7
8 (a) Please provide a forecast of the revenue that Alectra expects to generate annually with
9 the proposed \$295 disconnect/reconnect fee for each year in the rate term.
10 (b) If the fee is approved, would Alectra agree to make all references to the fee clear that it
11 is one charge for both the disconnection and reconnection so as to provide more
12 transparency for customers seeking service upgrades?
13 (c) Would Alectra consider a policy of waiving said fees in support of provincial policy, such
14 as where the disconnection/reconnection is needed for a DER connection, electric
15 vehicle charger installation, or heat pump installed with the support of a rebate under the
16 Home Renovation Savings Program?

17
18 **RESPONSE:**

- 19
20 (a) The forecast revenue associated with the proposed \$295 Disconnect/Reconnect fee over
21 the 2027-2031 rate term is provided in Table 1 below. Forecast revenues for all specific
22 service charges over the rate term are provided in response to IR 8-CCC-71 c).
23

24 **Table 1 - Disconnect/Reconnect at Meter during Regular Hours Forecast Revenue**

| | 2027 | 2028 | 2029 | 2030 | 2031 |
|--|-------------|-------------|-------------|-------------|-------------|
| Disconnect/reconnect at meter - during regular hours | \$456,955 | \$459,481 | \$462,068 | \$464,586 | \$467,083 |

- 25
26 (b) If the proposed specific service charges for disconnect/reconnect services are approved,
27 Alectra confirms that it will ensure that any references or communications pertaining to
28 the charge clearly state that the single charge will apply to a requesting customer for both
29 the disconnection and reconnection activities associated with a service upgrade.

1 (c) The intent of the proposed charges for disconnect/reconnect services, either requested
2 by customers or required by Alectra Utilities, is to ensure that costs are borne by the
3 requesting customer and attributed through causation in adherence with the principle of
4 “beneficiary pays”. While Alectra Utilities supports and implements provincial policy
5 initiatives as a requirement of its distribution licence, waiving these charges in specific
6 circumstances would result in the associated costs not being recovered from the
7 requesting customer, and being borne by ratepayers as a whole. In addition, waiving fees
8 for certain disconnections/reconnections would add significant administrative complexity,
9 as it would require Alectra Utilities to verify and monitor the purpose of each request in
10 order to determine its eligibility.

11

12 For these reasons, Alectra Utilities intends to apply the disconnect/reconnect charges
13 consistently to ensure alignment with cost causation.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.19**

5
6 **Interrogatory #8-ED-51**

7
8 (a) Please confirm that the savings from avoided distribution system losses from a more
9 efficient transformer or larger conductor will depend on the forecast loading on the
10 equipment.

11 (b) In light of (a), please confirm that there may be a forecast load threshold under which an
12 upsized conductor is not warranted, but over which it is cost-effective. Please calculate
13 where that threshold is with respect to all standard conductor sizes considered and/or
14 installed by Alectra.

15 (c) Alectra indicates that conductor sizes have been standardized to balance cost and
16 benefits relating to distribution system loss avoidance. Please provide all underlying
17 studies and calculations underlying this standardization, including, but not limited to: the
18 assumed incremental cost of upsizing, the assumed loading, the assumed loss
19 reductions from upsizing, the value of avoided losses, and the value of avoided losses at
20 the time of system peak.

21
22 **RESPONSE:**

23
24 (a) Yes, savings from avoided distribution system losses from a more efficient transformer
25 or larger conductor depend on the forecast loading on the equipment.

26
27 (b) Alectra Utilities agrees that, in theory, there may be a forecast threshold below which an
28 upsized conductor is not warranted and above which upsizing may appear cost-effective
29 on a loss-only basis. However, Alectra Utilities does not plan or standardize conductor
30 sizes by reference to a single loss-only threshold and does not maintain threshold
31 calculations of the type requested for all standard conductor sizes considered or installed
32 on its system. Accordingly, Alectra Utilities has not calculated, and does not maintain, a

1 single threshold with respect to all standard conductor sizes considered and/or installed
2 on its system, as any such threshold would depend on the specific conductor type,
3 loading profile, feeder configuration, breakeven assumptions, and constructability
4 considerations, and would not be representative of prudent distribution system planning
5 conditions.

6

7 Feeder loading progressively declines along the feeder as customers are served. As a
8 result, only the short segment immediately downstream of the supplying station may
9 approach loading levels at which upsizing could appear cost-effective on a loss-only
10 basis. For laterals and residential loops, it is generally not practical to connect sufficient
11 load to approach that threshold.

12

13 For Alectra Utilities' planning purposes, feeder equipment rating is 600A. Typical feeder
14 loading is maintained materially below this level (limited to 50% of the equipment limit)
15 so that:

- 16 • load can be fully transferred to a neighbouring feeder under N-1 contingencies
- 17 • voltages are maintained within limits, and
- 18 • DER and EV connections can be supported without thermal stress.

19

20 These ratings also align with DESN station ratings. For example, for a standard 27.6 kV
21 DESN with a limited time rating (LTR) of 170MVA and equipped with twelve feeders, the
22 average feeder loading would be about 14.2 MVA or 296A. For a 44kV DESN with eight
23 feeders, the average loading would be about 21.3 MVA or 279A. For simplicity, both
24 numbers are rounded to 300A and represent average feeder loading for DESN stations.

25

26 Alectra Utilities has set a planning limit of 400A for feeders so that larger loads can be
27 picked up and the numbers of feeders minimized, recognizing that where one feeder at
28 a station is loaded above 300A, another feeder at the same station would be loaded
29 below that level to remain within station LTR.

30

1 From a practical standpoint, operating feeders at or near the loading levels that could
2 make upsizing appear attractive on a loss-only basis is not consistent prudent distribution
3 system planning and creates several adverse consequences:

- 4 • Absolute system losses increase with higher loading. even though the relative benefit
5 of a larger conductor grows. Since I^2R losses scale with the square of current, pushing
6 feeders to higher loading levels increases total losses and thermal stress,
7 counteracting the theoretical savings that form the basis of the threshold.
- 8 • Absolute system losses increase as not all station feeders are loaded equally. Since
9 the total capacity of all feeders is limited by the station capacity, loading some feeders
10 to threshold means other feeders are lightly loaded. This unbalanced load increases
11 overall system losses.
- 12 • Reliability deteriorates. Since maximum feeder loading is limited by equipment
13 capability to 600A, an increase in feeder load beyond the typical 300A average
14 loading limit reduces the margin that operators have available to transfer load during
15 maintenance or unplanned events, which extends outage durations and degrades
16 system level reliability indices.
- 17 • Voltage regulation performance worsens on heavily loaded and longer feeders. As
18 loading increases, voltage drop becomes more pronounced, narrowing the allowable
19 operating envelope and requiring additional control equipment. This is contrary to
20 good utility practice and increases operational complexity and cost.
- 21 • Longer, more heavily loaded feeders also reduce system resiliency. They are less
22 capable of supporting N-1 transfers, have narrower thermal and voltage margins, and
23 create operational conditions in which normal switching, maintenance, and fault
24 isolation become increasingly difficult.

25 For these reasons, a breakeven threshold calculated on a loss-only basis is not suitable
26 for planning or operational decision-making.

27
28 (c) As stated in response to 8-ED-51 c), Alectra Utilities does not maintain a standalone
29 guideline dedicated exclusively to conductor upsizing. The relevant decision-making

1 principles are embedded in Alectra Utilities' established distribution design standards and
2 planning practices, under which planners evaluate conductor sizing alongside present
3 and forecast loading, voltage performance, route optimization, constructability, and the
4 capability to provide and receive backup from adjacent feeders. Alectra Utilities also
5 confirmed in response to 8-ED-51 e) that it has not undertaken a standalone system-wide
6 loss-reduction study. Accordingly, Alectra Utilities does not have standalone studies and
7 calculations of the type requested in this undertaking.

8 As described in response to 8-ED-51(c), conductor sizes have been standardized to
9 reflect a cost-effective balance of system performance, operational flexibility, and loss
10 reduction. Alectra Utilities' system planning philosophy requires primary feeders to meet
11 forecasted load while maintaining full backup capability under peak conditions.
12 Consistent with Ontario utility practice, feeders are designed to operate reliably within
13 established thermal, voltage, and reliability limits. The standard primary feeder conductor
14 used by Alectra Utilities is 556 kcmil ASC for overhead and 1000 kcmil Copper for
15 underground main feeders. These conductors are typically the largest size used on the
16 distribution system and commonly applied by all Ontario utilities.

17
18 For overhead feeders, the next higher conductor size, 636 kcmil ACSR, offers lower
19 electrical resistance, and introduces material increases in conductor diameter and
20 weight. The larger diameter increases wind and ice loading, and together with the higher
21 conductor weight increases vertical and longitudinal structural loads. Under CSA design
22 criteria, these factors frequently result in additional pole upgrades, guying requirements,
23 and span reductions to maintain structural compliance.

24
25 The need for additional guying often introduces further complexity, including the
26 requirement to secure new easements when guy anchors cannot be accommodated
27 within existing road allowances or utility corridors. In urban and suburban service areas,
28 obtaining such easements is frequently time-consuming, uncertain, and costly. As a
29 result, the incremental capital costs for feeders built using 636 kcmil conductor can be
30 materially higher, and may be in the order of 25-35% or more, than feeders built using
31 556 kcmil conductor. In Alectra Utilities' judgement, the incremental reduction in losses

1 under typical feeder loading conditions doesn't outweigh those additional costs and
2 constructability constraints.

3

4 For underground main feeders, the next larger size cable, 1250 kcmil copper again offers
5 lower electrical resistance compared to 1000 kcmil copper cable, but the cable itself is
6 approximately 25-35% more costly. Its approximately 25% greater weight increases
7 installation complexity, structural demands at terminations and transitions, and overall
8 construction cost. Depending on installation conditions, the total incremental cost would
9 exceed the material cost difference for the cable itself. In Alectra Utilities' judgment, the
10 incremental reduction in losses under typical loading conditions doesn't outweigh those
11 additional costs and constructability constraints.

12

13 Accordingly, Alectra Utilities continues to consider its existing standardized conductor
14 selections to be appropriate and prudent, based on its established planning and design
15 practices.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.20**

5
6 **Interrogatory #8-ED-51**

7
8 In this response, Alectra declined to estimate the value of avoided distribution and
9 transmission system losses arising from power being sourced from a DER versus a
10 traditional hub-and-spoke source. Alectra did not justify declining to do so. Please provide
11 the estimated value (e.g. \$/MWh) on a best-efforts basis with any simplifying assumptions
12 as necessary.

13
14 **RESPONSE:**

15
16 Alectra Utilities notes that this JT-1.2.20 follows up on interrogatory 8-ED-52 part (b), not 8-
17 ED-51. In response to 8-ED-52, Alectra Utilities stated that it does not forecast distribution or
18 transmission loss impacts attributable to DER injections and therefore is unable to provide
19 specific information regarding any such loss reductions.

20
21 For the reasons described below, Alectra Utilities is unable to provide a quantified estimate
22 of the avoided distribution and transmission losses attributable to DER injections.

23
24 First, Alectra Utilities does not forecast or track marginal distribution or transmission loss
25 impacts attributable to DER injections and therefore does not maintain the data or modelling
26 needed to produce such an estimate.

27
28 Second, any such estimate would be highly assumption-dependant and potentially
29 misleading. Avoided losses depend materially on the DER's location on the system, voltage
30 level, feeder configuration, time-varying loading conditions, injection profile, and the extent
31 to which the DER actually offsets upstream supply at a given time. Estimating these impacts
32 on a credible basis would require detailed feeder specific modeling across Alectra Utilities'

1 system, including DER locations, nodal injection profiles, and time varying loading conditions.
2 Given the complexity of the analysis and the level of effort required, Alectra Utilities is unable
3 to provide a reliable quantified estimate.
4
5 Accordingly, Alectra Utilities is not in a position to provide the requested \$/MWh estimate on
6 a best-efforts basis, as simplified proxy would not be sufficiently reliable or probative.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ENVIRONMENTAL DEFENCE**

3
4 **JT-1.2.21**

5
6 **Interrogatory #8-ED-39**

7
8 To help us explore proposed adjustments to the proposed standby rates, please provide an
9 excel spreadsheet with a list of the DERs currently on Alectra's system that would be subject
10 the proposed standby charge. For each DER, please include the type (gas, solar, battery,
11 etc.) and the nameplate capacity (kW). We are not seeking customers' personal information,
12 such as their name or address. If you cannot provide the requested information, please reach
13 out so we can propose alternatives.

14
15 **RESPONSE:**

16
17 Please see JT-4.12. Due to privacy considerations, Alectra Utilities is not able to provide
18 customer-level information categorized by generator type and nameplate capacity. Table 1
19 in the referenced above response represents aggregated values.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **DISTRIBUTED RESOURCE COALITION**

3
4 **JT-1.3.1**

5
6 2-DRC-9-h)

7
8 Alectra Utilities is not aware of any customers who have been formally prevented or delayed
9 in installing EV chargers due to capacity constraints... In some cases, customers may elect
10 not to proceed where system upgrades are required; however, Alectra does not maintain
11 records of customer decisions not to apply or proceed.

12
13 **Question**

- 14
15 1. Please clarify whether Alectra has the technical or administrative capability to track
16 instances where prospective EV charger customers do not proceed due to required
17 system upgrades, and if not, explain why.
18
19 2. Please identify any barriers that would prevent Alectra from maintaining such records on
20 a going-forward basis, including system limitations, cost, resource requirements, or
21 procedural constraints.

22
23 **RESPONSE:**

- 24
25 1. Alectra Utilities does not have visibility into the reasons that a customer may decide not
26 to proceed with a service application.

27
28 Under the Electric Vehicle Charging Connection Procedures (EVCCP), initial customer
29 inquiries are received and responded to through the established process, which provides
30 customers with information regarding system capacity, connection requirements, and any
31 potential system expansion or capital contribution obligations. Following receipt of this

1 information, the customer independently determines whether to proceed with submitting
2 a formal service application.

3

4 If a customer chooses not to proceed to the application stage, Alectra Utilities does not
5 have visibility into the customer's decision or the factors influencing that decision. Alectra
6 Utilities existing systems and administrative processes are designed to track formal
7 applications and connection projects, but not preliminary inquiries that do not progress to
8 a service application.

9

10 Neither the Distribution System Code nor the EVCCP requires distributors to track or
11 report instances where customers choose not to proceed after receiving preliminary
12 connection information.

13

14 2. Alectra Utilities has not conducted a formal analysis of the requirements to implement
15 tracking of prospective customers who elect not to proceed with a connection. However,
16 maintaining these records would require the establishment of new processes and
17 supporting systems, including enhancements to customer inquiry portals and internal
18 tracking tools to capture customer decision points prior to the submission of a formal
19 application.

20

21 In addition, distributors do not have reliable visibility into the reasons why a prospective
22 customer elects not to proceed. A customer's decision may be influenced by a range of
23 factors unrelated to system capacity or upgrade requirements, including project timing,
24 financing, site changes, technology choices, or other business decisions. As such,
25 accurately attributing a customer's decision not to proceed specifically to system upgrade
26 requirements could be difficult to validate.

27

28 Should the OEB determine that tracking this information would be beneficial on a go-
29 forward basis, implementation would likely require modifications to distributor processes
30 and systems, along with consideration of the associated OM&A and resource
31 requirements needed to support this activity.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **DISTRIBUTED RESOURCE COALITION**

3
4 **JT-1.3.2**

5
6 2-DRC-9-i)

7 2-ED-12

8
9 With respect to DER connections, Alectra Utilities confirms that there are areas where DER
10 interconnections are constrained. However, the constraints are at the station level. Alectra
11 Utilities understands that the existing DER connection constraints are driven by short-circuit
12 limitations (refer to Response to Interrogatory 2-ED-12-a).

13
14 **Question**

15
16 1. Please clarify whether Alectra expects the number of customers unable to connect DERs
17 due to short-circuit limitations to increase, decrease, or remain stable over the 2027–
18 2031 period, and explain the basis for that expectation.

19
20 **RESPONSE:**

21
22 1. Alectra Utilities notes an error in its response to IR 2-ED-12 (a), as the constraint at HONI-
23 owned Woodbridge Transformer Stations (TS) is thermal, not short-circuit. The
24 information provided in response to IR 2-ED-14 is correct.

25
26 During the 2027-2031 period, Alectra Utilities expects an increase in the number of
27 customers unable to connect DERs due to short-circuit limitations. The reason for this is
28 that as more DERs are connected to the Alectra Utilities system, more sources of short-
29 circuit current are added to the system. As a result, short-circuit limitations at more
30 stations – whether Alectra Utilities-owned or HONI-owned – will be reached, which
31 reduces the ability to connect more DERs. Moreover, as stated in response to 2-ED-12
32 (b), during the 2027-2031 period Alectra Utilities has not planned specific investments to

1 remove existing DER constraints at its TS. As further stated in our response to IR 2-ED-
2 12 (c), Alectra Utilities is investigating solutions to reduce constraints on DER
3 connections at its two TS that currently are constrained. However, if any solutions do
4 prove to be feasible, Alectra does not expect solutions to be in place in time to result in a
5 significant reduction in existing constraints during the 2027-2031 period. Moreover, as
6 shown in our response to IR 2-ED-12, a significant number of Alectra Utilities customers
7 are supplied from HONI-owned TS that have DER connection constraints, and while
8 Alectra Utilities does work with HONI one to try to find solutions to constraints, ultimately
9 those solutions are outside Alectra Utilities' control.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **DISTRIBUTED RESOURCE COALITION**

3
4 **JT-1.3.3**

5
6 1-DRC-10-a)

7
8 a)-i) Alectra Utilities notes that the detailed NWS Program design (including market rules,
9 eligibility criteria, and procurement documentation) will be finalized following OEB approval
10 of the proposed NWS Program and the establishment of the Non-Wires Solution Deferral
11 Account.

12
13 a)-ii) Alectra Utilities intends to treat aggregated portfolios comparably to single-resource
14 bids, provided that the portfolio can meet the same aggregate capacity, reliability, and
15 locational requirements for the applicable station pocket.

16
17 **Question**

18
19 1. Please confirm whether Alectra intends to file the finalized NWS Program design,
20 including market rules and decision triggers, with the OEB for review prior to
21 implementation.

22
23 2. Please clarify how Alectra will assess locational deliverability for aggregated portfolios,
24 particularly where resources are dispersed across multiple feeders.

25
26 3. Please confirm whether aggregated portfolios will be subject to any additional
27 requirements beyond those applied to individual resources and indicated in the
28 interrogatory response (e.g., additional credit, security, or performance assurance
29 requirements).

1 **RESPONSE:**

2

3 1. Alectra Utilities does not currently intend to make a separate pre-implementation filing of
4 the finalized NWS Program design. Alectra Utilities proposes to file supporting evidence
5 on procurement results, costs, and performance when seeking disposition of the
6 NWSDA, which is proposed at the end of the 2027-2031 term.

7

8 2. Alectra Utilities will assess locational deliverability for aggregated portfolios through a
9 structured recruitment, enrollment, and verification process aligned to the specific feeder,
10 station, or load pocket where a distribution system need has been identified.

11

12 Once a distribution service program is defined and a target location established,
13 marketing and customer recruitment efforts will be geographically targeted to customers
14 electrically connected to the constrained feeder, station, or defined load pocket.
15 Recruitment materials, eligibility screening, and intake processes will require confirmation
16 of service address, connection point, and feeder alignment to ensure that only customers
17 located within the relevant electrical boundary are eligible to proceed to enrollment.

18

19 Following enrollment, participating resources will enter a structured testing and
20 verification phase prior to activation. During this phase, Alectra Utilities will confirm that
21 the aggregated portfolio is capable of delivering the required performance at the specified
22 location and time window. This includes validation of telemetry, response capability, and
23 performance consistency under test dispatch conditions.

24

25 Where aggregated portfolios include resources dispersed across multiple feeders, only
26 the portion of the aggregation electrically located within the defined constrained area will
27 be counted toward meeting the service requirement. Activation will occur only after
28 successful completion of the testing and verification phase, ensuring that aggregated
29 resources can reliably deliver the required locational distribution system service.

1 3. Aggregated portfolios will be treated comparably to individual resources, provided that
2 the portfolio is capable of meeting the same aggregate capacity, reliability, and locational
3 performance requirements applicable to the distribution service being procured. At this
4 stage, Alectra Utilities does not anticipate imposing additional requirements specific to
5 aggregated portfolios beyond those applicable to individual resources, as the focus of the
6 program is on the delivery of the required distribution system service rather than the
7 specific composition of the participating resources.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **DISTRIBUTED RESOURCE COALITION**

3
4 **JT-1.3.4**

5
6 1-DRC-10-b)

7
8 b) Successful bids will be awarded contracts, with services scheduled, dispatched, and
9 settled based on verified delivery. All of these activities will be enabled through the
10 Distribution Wholesale Market Preparedness (DWMP) toolsets

11
12 **Question**

13
14 1. Please clarify whether the DWMP toolset is intended to be fully operational prior to the
15 first NWS procurement cycle and whether any interim processes may affect dispatch
16 certainty or settlement timelines.

17
18 **RESPONSE:**

19
20 1. Alectra Utilities has already begun preparation work for the first NWS procurement cycle
21 in parallel with the implementation of the DWMP. As such, the DWMP will be partially
22 operational in 2026 for the first NWS procurement cycle and fully operational towards the
23 end of 2026. Alectra Utilities does not anticipate any issues related to dispatch certainty
24 or settlement timelines. Alectra Utilities' implementation of NWS supporting systems is
25 phased in alignment with the anticipated uptake of the NWS program.

26
27 Once the DWMP is fully functional, NWS procurement, scheduling, dispatch, and
28 settlement will be enabled through the DWMP toolsets. While capabilities may be
29 enhanced in phases over the DSP period, any interim processes will maintain dispatch
30 certainty and settlement based on verified delivery.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **DISTRIBUTED RESOURCE COALITION**

3
4 **JT-1.3.5**

5
6 1-DRC-6-e)

7 1-DRC-6-f)

8
9 Recruitment outcomes, participation, retention, and customer satisfaction will be assessed
10 by a third-party evaluator. Findings and recommendations will inform future program design
11 considerations.

12
13 **Question**

- 14
15 1. Please identify the criteria that Alectra will use to determine whether the pilot results are
16 sufficiently robust to support scaling to a permanent program.
17
18 2. Please clarify how the pilot's tracked metrics (e.g., event participation, optouts,
19 curtailment duration, estimated energy curtailed) may be translated into concrete future
20 program design parameters, including but not limited to:
21 a. expected participation rates and availability assumptions;
22 b. dispatch frequency and duration limits; and
23 c. incentive or subscription pricing structures.

24
25 **RESPONSE:**

- 26
27 1. There are several mechanisms by which the pilot could inform future Alectra Utilities
28 investments. From the first phase: Alectra Utilities may include the activities supporting
29 customer education and interaction into its Customer Engagement efforts, such as
30 Supporting Electrification, the Digital First Strategy, and Supporting Customer
31 Connections and Key Accounts. Details of these elements can be found in Exhibit 1, Tab

1 5, Schedule 1. Criteria that would inform such a determination include customer
2 satisfaction, customer energy literacy, affordability and cost effectiveness.

3

4 From the second phase, load curtailment produced by the pilot may inform future Non-
5 Wires Solutions recruitment. Energy impact measurements are described in DRC-6e.

6 The process for assessing future Non-Wires Solutions is described in the response to
7 DRC -11.

8

9 2. As described in DRC-11, Alectra's approach to non-wires solutions (NWS) is technology-
10 neutral and services-led. It does not foresee program design; these will be the
11 responsibility of those entities responding to procurement processes requesting
12 distribution system services. Dispatch frequency and duration limits will be set based on
13 the distribution system need.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **DISTRIBUTED RESOURCE COALITION**

3
4 **JT-1.3.6**

5
6 1-DRC-7b)

7
8 Testing protocols are being developed based on program requirements informed by Alectra
9 Utilities' objectives and applicable IESO requirements.

10
11 **Question**

- 12
13 1. Please provide additional details regarding the testing protocols being developed,
14 including:
- 15 a. the specific technical and performance parameters that will be tested (e.g., peak
 - 16 demand reduction, response time, interoperability, communications latency);
 - 17 b. the duration and operating conditions under which testing will occur; and
 - 18 c. the criteria that will be used to determine whether a solution has successfully met
 - 19 program requirements.
- 20
21 2. Please confirm whether and how the final testing protocols will be made publicly
22 available, and if not, please explain why not.

23
24 **RESPONSE:**

- 25
26 1.
- 27 a. The testing protocols for AlectraDrive for Fleets are designed to validate managed
 - 28 charging and demand response performance at the distribution level and include the
 - 29 following technical and performance parameters:
 - 30 • Depot level peak demand reduction
 - 31 • Demand response execution and effectiveness,
 - 32 • Charger responsiveness to control signals

- 1 • Communication signal success and telemetry integrity
- 2 • Distribution system asset protection
- 3
- 4 b. Individual tests are expected to last as follows:
- 5 • Demand response event tests: event duration to be less than 4 hours per event
- 6 • Distribution level tests:
- 7 ○ Energy tests: 60-minute test duration
- 8 ○ Capacity tests: 4 hour sustained demand reduction
- 9 ○ Operating reserve / rapid dispatch tests: up to 90 minutes, with response
- 10 requirements within 10 minutes of activation
- 11 ○ Controlled ramp tests: 10-minute duration with second level intervals
- 12
- 13 The conditions under which testing will occur will be as follows:
- 14 • DR and capacity tests are conducted during IESO defined availability windows
- 15 and coincident peak periods
- 16 • All testing is conducted subject to site specific charging requirements and
- 17 distribution system operating limits.
- 18
- 19 c. A solution will be considered to have met program requirements when it satisfies the
- 20 test criteria. The test criteria currently are:
- 21 a. Managed charging / event success and communications
- 22 i. Communication Signal Success: $\geq 95\%$
- 23 ii. Managed Charging Success Rate: $\geq 90\%$
- 24 b. Demand reduction / peak shaving capability
- 25 i. Demand Reduction per EV: $\geq 10\%$
- 26 ii. Depot Peak Load Reduction: $\geq 10\%$
- 27 c. Uptime
- 28 i. Protocol acceptance thresholds
- 29 1. Charger uptime: $\geq 97\%$
- 30 2. Software uptime: $\geq 95\%$

- 1 2. Alectra Utilities has confirmed with the IESO and NRCan (the third-party funding
- 2 organizations) that the final AlectraDrive for Fleets testing protocols can be made publicly
- 3 available via posting on their respective project pages upon project completion.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.4**

5
6 Reference: 2-Staff-140 b); Table 6 from AMPCO-54; and provide any qualifications as
7 required

8
9 Provide equivalent of SAIDI target when loss of supply is excluded.

10
11 **RESPONSE:**

12
13 Alectra Utilities was requested to provide an estimate for the equivalent SAIDI target,
14 excluding both Loss of Supply (LOS) and MEDs. Alectra Utilities examined all investments
15 for potential to impact LOS events and estimates that by the end of 2031, the SAIDI target
16 equivalent excluding LOS and MEDs would be 0.72 hrs.

17
18 The proposed SAIDI target reflects the outcome of completed capital investments proposed
19 in the DSP which was developed to meet customers needs and priorities, as well as internally
20 and externally driven needs.¹

¹ Exhibit 2A, Tab 1, Schedule 1, 5.2.1 DSP Overview, Pages 21 to 22.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.5**

5
6 Reference: 2A-SEC-28 a); 2A-SEC-28 Attachment 1

7
8 Provide a spreadsheet that lists all the potential projects and programs, including those that
9 were not selected.

10
11 **RESPONSE:**

12
13 The initial response to 2A-SEC-28 includes capital investments that formed the Alectra
14 Utilities plan that is before the OEB in this proceeding. This undertaking request is to provide
15 the full list of candidate capital investments considered for the purpose of the optimization
16 process, which ultimately formed the investment plan proposed in the Application. The full
17 list of candidate investments includes investments that are outside of the test period.
18 Investments outside the 2027-2031 period are not part of or relevant to Alectra Utilities' plan
19 in this proceeding; however, in the interest of transparency as to Alectra Utilities' capital
20 planning and optimization process, Alectra Utilities provides in Attachment 1 the Excel file
21 ***JT-1.5_Attachment_1.xlsx*** containing all candidate investments considered in the
22 optimization process performed in 2024.

23
24 It is also important to recognize that the capital investment planning process uses investment
25 *optimization* and does not rely on investment *prioritization*. Optimization has the capability of
26 selecting and pacing investments to maximize overall portfolio value over a planning period
27 while respecting multiple constraints. Optimization has several mechanisms all working
28 together to maximize overall portfolio value, including but not limited to adjusting the
29 investment by shifting its execution (advancing or deferring), selecting a different
30 alternative/pace for an investment, or a combination. This is in contrast to prioritization,
31 which ranks investments based on a single metric from largest to smallest; for example,
32 overall value, limiting the investment selection based on a constraint. Optimization outputs a

1 cohesive plan since it considers the permutations of all available options to maximize overall
2 value over a multi-year period by considering multiple factors, including but not limited to
3 multiple constraints, investment alternatives, timing, and planning group considerations.

4

5 Alectra Utilities' proposed plan is for the 2027 to 2031 period; hence, Alectra Utilities did not
6 perform capital investment planning activities beyond 2031. Post optimization, Alectra
7 Utilities has not determined next steps for investments that were deferred by optimization
8 beyond 2031, including but not limited to evaluation of the solutions to address the needs
9 and subsequently the quantum of the needed investments. For example, the capital
10 investment of a deferred cable injection project beyond 2031 is quantified with a cable
11 injection solution; however, as Alectra Utilities submitted in its DSP, cable injection will cease
12 to be a viable solution beyond 2029 and the only viable solution after that point will be cable
13 replacement (Ex 2A-1-1 Appendix B02 p. 69), which is not reflected in the quantum of capital
14 needs for the period beyond 2031.

JT-1.5

Attachment 1

Please see live Excel

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.6**

5
6 Reference: 2-AMPCO-21 c) Table 1

7
8 Consider the relevance of, and if relevant provide, the initial set of annual CAPEX restraints
9 used in the first model run that informed the six iterations leading to the draft capital plan,
10 including the basis and rationale used to determine those yearly restraints amounts.

11
12 **RESPONSE:**

13
14 The initial set of annual CAPEX constraints used in the first of the six iterations is of no value
15 in assessing Alectra Utilities' capital plan as proposed in the Application and set out in the
16 DSP. Rather, these constraints are the equivalent of parameters for an initial draft of the
17 capital plan, which initial draft is not before the OEB in this proceeding. However, in the
18 interests of transparency as to Alectra's capital planning and optimization process, Alectra
19 provides as follows.

20
21 Alectra Utilities provides Table 1 below with the annual CAPEX constraint used in the first
22 capital investment plan optimization run.

23
24 **Table 1 – Annual CAPEX Constraints for First Portfolio Optimization**

| Optimization CAPEX Constraint (\$MM) | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|-------------|-------------|-------------|-------------|-------------|
| First Optimization Run | 377 | 470 | 588 | 717 | 788 |

25
26 Alectra Utilities' first capital investment level was based on and informed by a broad set of
27 inputs that collectively focused on customer needs and priorities, and on addressing urgent
28 and necessary work related to distribution system infrastructure, equipment, and systems
29 that safely and reliably serve all 17 municipalities within Alectra Utilities' service area.

1 More specifically, Alectra Utilities' initial capital constraints applied in the first capital
2 investment portfolio optimization run in Copperleaf were an output of a comprehensive
3 planning process considered:

- 4 • Customer needs and priorities as identified in the first phase of customer
5 engagement. Customers identified that reasonable price and reliability are top
6 priorities, with reliable service for general service and large users becoming
7 increasingly important.
- 8 • Business cases developed to address identified needs based on external and internal
9 drivers. Alectra Utilities produced business cases representing over \$5B in justified
10 investment needs.
- 11 • Risks and consequences of a growing backlog of deteriorated assets based on
12 condition assessment and the impact of the backlog on increasing reactive
13 expenditures, impact of failing assets on system performance and reliability, as well
14 as the increasing trend of serious electrical incidents.
- 15 • Responsiveness to government policy and regulatory requirements, including
16 municipal, provincial and federal policies for local development and economic growth.
- 17 • Meeting the growing electricity demand based on population, housing and
18 employment needs identified by municipalities, growing demand for data centers and
19 electrification of transportation.
- 20 • Consequences of long lead procurement and preparation time to build infrastructure
21 (i.e. transformer stations timelines to plan, procure and construct) to avoid delays and
22 keep costs down for ratepayers.
- 23 • Application of the efficiency frontier to guide development of the capital investments
24 in balancing the impact of capital expenditures on the expected investment value
25 relative to a defined set of risks.
- 26 • Commitment to the safety and security of its employees, the public and the
27 infrastructure, systems and data (including cybersecurity).
- 28 • Enabling grid resilience and modernization to mitigate vulnerabilities and building a
29 more flexible, inclusive and integrated system utilizing emerging technologies.
- 30 • Leveraging technology and innovation to drive operational effectiveness and
31 customer satisfaction.

- 1 • Ramp-up of execution work related to the procurement of materials and necessary
- 2 labour resources. In addition to the materials and labour requirements, Alectra
- 3 Utilities also took into consideration key systems and equipment that support the
- 4 execution plan.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.7**

5
6 Reference: 2A-SEC-31 b) & c); 2A-SEC-29; DSP Appendix C, the Value Framework
7 definitions

8
9 Provide an illustrative example of a project or a program that takes the estimated reliability
10 benefit and translates it to a dollar figure.

11
12 **RESPONSE:**

13
14 To demonstrate how the reliability benefit is calculated, Alectra Utilities provides an
15 illustrative example of a typical cable replacement project.

16
17 Alectra Utilities considers and incorporates a number of project site-specific inputs through a
18 multi-step process to capture appropriate and accurate reliability impacts for customers. For
19 greater detail on the types of inputs involved in determining the reliability benefit, please see
20 Exhibit 2A, Tab 1, Schedule 1, Appendix C, section 5.2.1.9.

21
22 Step 1: Obtain the Historical Number of Outages for the Project Area

23 Alectra Utilities' Subject Matter Expert (SME) examines the relevant outage history for the
24 area to derive the most recent 5-year reliability average as per Table 1. Only historical
25 outages related to cable and cable accessory failures are included.

26
27 **Table 1 - Historical Number of Outages for Project Area**

| 2019 | 2020 | 2021 | 2022 | 2023 | 5-Year Average |
|------|------|------|------|------|----------------|
| 1 | 3 | 1 | 2 | 5 | 2.4 |

1 Step 2: Outages Projection Based on Recent Historical Reliability Trends

2 Alectra Utilities' SME forecasts future reliability using the 5-year historical average provided
3 in Table 1 as the starting point. An increase in outages is forecasted for future years under
4 the scenario that no intervention is taken. The SMEs are instructed to use a conservative
5 approach to forecasting the number of outages in future years as follows: when the number
6 of outages is increased (such as from 2 in 2024-2025 to 3 in 2026 in Table 2 below), in the
7 year immediately following that increase the number of outages reverts back to the prior
8 number of outages (as shown for 2027 below) before the increased number of outages
9 becomes the 'steady state' (as shown for 2028-2030 below).

10

11 **Table 2 – Projection of Outages for Project Area Based on Recent Historical Trends**

| 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2 | 2 | 3 | 2 | 3 | 3 | 3 | 4 | 3 | 4 | 4 | 4 | 5 |

12

13 For values beyond 2036, the SME typically caps the number of outages to five for the
14 remaining outlook period. The entire practice of using a conservative projection of future
15 outages is used consistently for reliability benefit scoring, this is based on the most recent
16 historical trends and considers the increasing probability asset deterioration over time.

17

18 Step 3: Calculation of the Load of the Project Area

19

20 Alectra Utilities SME aggregates all the transformations within the project area and
21 apportions the transformation capacity [REDACTED]. For transformers in residential
22 neighbourhoods Alectra Utilities applies a [REDACTED] on the load. For this illustrative
23 example, Alectra Utilities SME aggregates 2000kVA of load and adjusts the load [REDACTED]

24 [REDACTED]

25 [REDACTED]

26

27 Step 4: Obtain Average Outage Duration

28

1 Alectra Utilities' SME examines the project area and obtains the average duration of an
2 outage based on the most likely asset to fail. For the simplicity of this illustrative example,
3 the average outage duration used is 2 hours per outage event.

4
5 Step 5: Determine Duration of Loss of Redundancy

6
7 Alectra Utilities operates an open-loop distribution system and appropriately considers the
8 impacts should the secondary supply of the open-loop system also be lost during the outage,
9 as is typical when the cables in the project area sustain failures. Alectra Utilities' SME
10 appropriately incorporates the impact of outage duration, considering the loss of system
11 redundancy. For this example we will use 24 hours.

12
13 Step 6 : Obtain the Customer Mix Type of Project Area

14
15 Based on the customers within the project scope area, Alectra Utilities' SME selects the
16 customer mix type. For this illustrative example of cable renewal project, the SME identifies
17 that the project areas include residential with some schools and small commercial customers,
18 and therefore applies a mixed Residential/Commercial customer type into the calculation.
19 The customer mix type is applied to the corresponding Value of Lost Load (VOLL) value
20 appropriate for the average duration. For the purposes of this illustrative example, a VOLL
21 value of \$50 per kW per hour is applied.

22
23 Step 7: Verify if the project area includes worst-performing feeders or include accounts of
24 concern.

25
26 Alectra Utilities' SME examines the project area to determine if the area includes either
27 feeders that are identified as worst performing or customer accounts of higher concern (e.g.
28 hospitals, emergency public services, critical infrastructure, etc.). For this illustrative
29 example, the SME did not identify any worst performing feeders or accounts with higher
30 concern.

31
32 Step 8: Calculation of Annual Reliability Benefit within Copperleaf

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25

We are assuming that we will calculate the value for 2024. Based on the inputs above:

- Number of estimated outages = 2
- Lost load in kW = 1000kVA [REDACTED]
- Customer Mix = Residential/Commercial
- VoLL = Based on Customer Mix and Outage duration is \$50/kWh

[REDACTED]

Copperleaf performs the following calculation:

[REDACTED]

The output of this calculation represents an equivalent dollar value representing the benefit as determined by the value of lost load for the impacted customers. This value is then aggregated with the values calculated for other risks/benefits within the business case to offset the investment cost and derive a final project value representing the net present value of performing the investment.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.8**

5
6 Reference: 2015 CEATI Study

7
8 Provide the 2015 CEATI Study that Alectra Utilities bases their value of lost load on.

9
10 **RESPONSE:**

11
12 Attached to this response is JT-1.8_Attach 1_2015 CEATI Outage Cost Report. The 2015
13 CEATI Report is what Alectra Utilities bases their Value of Lost Load (VOLL) on. This study
14 was selected based on its Canadian content and lower outage cost values in contrast to
15 United States Department of Energy New York Interruption Cost Estimator.

JT-1.8

**Attachment 1
2015 CEATI Outage Cost Report**

Filed Confidentially

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.9**

5
6 Reference: 2A-SEC-57 Attachment 1; Appendix J, Figure 19; 2A-SEC-61 Attachment (Figure
7 19)

8 Reconcile the numbers from the 2027 to 2031 planning outlook in terms of the megawatts
9 and the planning zones.

10
11 **RESPONSE:**

12
13 Alectra Utilities' service area is organized into four operating areas and six planning zones,
14 as follows:

- 15 • Alectra East: two planning zones York and Simcoe
16 • Alectra Central: two planning zones Central North (Brampton) and Central South
17 (Mississauga)
18 • Alectra West: one planning zone
19 • Alectra Southwest: one planning zone

20
21 Please refer to Tables 1 to 6 below, which reconcile the 2027 to 2031 Station Loading
22 Forecast under the 1-in-10 weather scenario (MVA) by Alectra Utilities' planning zone. Shared
23 stations that service more than one planning zone have been allocated to the respective
24 planning zone in the values presented below. The non-coincident peak load forecast for each
25 station, as presented in 2A-SEC-57 and reproduced below by station and planning zone,
26 includes the impacts of EV charging and CDM, consistent with Exhibit 2A, Tab 1, Schedule 1,
27 Appendix J, Figure 19 and 2A-SEC-61.

28
29 For clarity, Bramalea TS and Woodbridge TS (QE) service both Central North and Central
30 South planning zones. In 2A-SEC-61, the station load has been allocated between those two
31 planning zones, whereas 2A-SEC-57 presented the combined station value in Central North
32 planning zone.

Table 1 – East (York) Planning Zone – Station Loading Forecast (2027-2031)

| Ownership | Existing / Proposed | Station ID | Station LTR / Allocated Capacity (MVA) | Forecasted Loading 1-in-10 (MVA) | | | | |
|------------------|---------------------|----------------------------|--|----------------------------------|-------|-------|-------|-------|
| | | | | 2027 | 2028 | 2029 | 2030 | 2031 |
| Alectra | Existing | Markham TS#4 | 170 | 170 | 170 | 170 | 170 | 170 |
| Alectra | Existing | Vaughan TS#4 | 170 | 158 | 170 | 170 | 170 | 170 |
| Alectra | Existing | Markham TS#3E | 112 | 112 | 112 | 112 | 112 | 112 |
| Alectra | Existing | Vaughan TS#3 | 170 | 170 | 170 | 170 | 170 | 170 |
| Alectra | Existing | Markham TS#3 | 112 | 112 | 112 | 112 | 112 | 112 |
| Alectra | Existing | Vaughan TS#2 | 170 | 170 | 170 | 170 | 170 | 170 |
| Alectra | Existing | Markham TS#2 | 112 | 112 | 112 | 112 | 112 | 112 |
| Alectra | Existing | Vaughan TS#1E | 170 | 170 | 170 | 170 | 170 | 170 |
| Alectra | Existing | Markham TS#1 | 90 | 90 | 90 | 90 | 90 | 90 |
| Alectra | Existing | Richmond Hill TS#2 | 112 | 112 | 112 | 112 | 112 | 112 |
| Alectra | Existing | Vaughan TS#1 | 170 | 170 | 170 | 170 | 170 | 170 |
| Alectra | Existing | Richmond Hill TS#1 | 170 | 170 | 170 | 170 | 170 | 170 |
| HONI | Existing | Buttonville TS | 170 | 170 | 170 | 170 | 170 | 170 |
| HONI | Existing | Agincourt | 15 | 11 | 12 | 15 | 15 | 15 |
| HONI | Existing | Leslie | 45 | 35 | 38 | 41 | 42 | 45 |
| HONI | Existing | Woodbridge BY (D6M2,3,5,6) | 60 | 60 | 60 | 60 | 60 | 62 |
| HONI | Existing | Fairchild | 45 | 38 | 40 | 42 | 43 | 45 |
| HONI | Existing | Kleinburg | 30 | 19 | 20 | 22 | 25 | 30 |
| HONI | Existing | Finch | 30 | 20 | 20 | 23 | 26 | 30 |
| HONI | Existing | Armitage EY | 54 | 50 | 50 | 51 | 53 | 55 |
| HONI | Existing | Armitage JQ | 81 | 66 | 67 | 70 | 74 | 81 |
| HONI | Proposed | Markham TS#5 | 170 | | 68 | 113 | 170 | 170 |
| Alectra | Proposed | Vaughan TS#6 | 170 | | 33 | 32 | 54 | 53 |
| Alectra | Proposed | Richmond Hill TS3 | 170 | | | | 32 | 101 |
| Total MVA | | | | 2,185 | 2,306 | 2,367 | 2,492 | 2,585 |
| Total MW | | | | 2,029 | 2,143 | 2,196 | 2,308 | 2,408 |

Table 2 – East (Simcoe) Planning Zone –Station Loading Forecast (2027-2031)

| Ownership | Existing / Proposed | Station ID | Station LTR / Allocated Capacity (MVA) | Forecasted Loading 1-in-10 (MVA) | | | | |
|------------------|---------------------|----------------|--|----------------------------------|------|------|------|------|
| | | | | 2027 | 2028 | 2029 | 2030 | 2031 |
| HONI | Existing | Barrie | 107 | 97 | 102 | 104 | 106 | 108 |
| HONI | Existing | Midhurst T1/T2 | 96 | 73 | 76 | 80 | 84 | 87 |
| HONI | Existing | Midhurst T3/T4 | 157 | 135 | 138 | 140 | 144 | 147 |
| HONI | Existing | Waubauschene | 50 | 21 | 24 | 26 | 28 | 30 |
| HONI | Existing | Alliston | 25 | 5 | 6 | 6 | 7 | 7 |
| HONI | Existing | Everett | 90 | 63 | 65 | 67 | 69 | 73 |
| HONI | Existing | Holland | 90 | 55 | 55 | 57 | 58 | 60 |
| Total MVA | | | | 449 | 466 | 480 | 496 | 512 |
| Total MW | | | | 418 | 433 | 448 | 466 | 483 |

Table 3 - Central North Planning Zone –Station Loading Forecast (2027-2031)

| Ownership | Existing / Proposed | Station ID | Station LTR / Allocated Capacity (MVA) | Forecasted Loading 1-in-10 (MVA) | | | | |
|------------------|---------------------|---------------------------------------|--|----------------------------------|-------|-------|-------|-------|
| | | | | 2027 | 2028 | 2029 | 2030 | 2031 |
| Alectra | Existing | Jim Yarrow | 170 | 161 | 167 | 172 | 172 | 172 |
| HONI | Existing | Bramalea BY | 118 | 104 | 110 | 113 | 118 | 118 |
| HONI | Existing | Bramalea EZ | 98 | 73 | 74 | 76 | 77 | 78 |
| HONI | Existing | Bramalea JQ | 52 | 49 | 50 | 51 | 52 | 52 |
| HONI | Existing | Goreway BY (T5/T6) and JQ (T1/T2) | 384 | 308 | 321 | 332 | 345 | 358 |
| HONI | Existing | Goreway T3/T4 | 84 | 10 | 10 | 11 | 13 | 15 |
| HONI | Existing | Pleasant BY/EZ (T5/T6) and FV (T7/T8) | 397 | 345 | 359 | 372 | 378 | 388 |
| HONI | Existing | Pleasant JQ (T1/T2) | 62 | 52 | 52 | 53 | 55 | 55 |
| HONI | Existing | Woodbridge QE (T3/T5) D6M11,12,13,14 | 28 | 21 | 22 | 24 | 25 | 26 |
| Total MVA | | | | 1,123 | 1,165 | 1,204 | 1,235 | 1,262 |
| Total MW | | | | 1,040 | 1,081 | 1,120 | 1,164 | 1,207 |

Table 4 - Central South Planning Zone –Station Loading Forecast (2027-2031)

| Ownership | Existing / Proposed | Station ID | Station LTR / Allocated Capacity (MVA) | Forecasted Loading 1-in-10 (MVA) | | | | |
|------------------|---------------------|-----------------------|--|----------------------------------|--------------|--------------|--------------|--------------|
| | | | | 2027 | 2028 | 2029 | 2030 | 2031 |
| HONI | Existing | Cardiff | 126 | 124 | 126 | 126 | 126 | 126 |
| HONI | Existing | Churchill Meadows | 200 | 111 | 112 | 113 | 114 | 115 |
| HONI | Existing | Cooksville EZ (T1/T2) | 130 | 57 | 60 | 69 | 84 | 126 |
| HONI | Existing | Cooksville JQ (T3/T4) | 130 | 55 | 73 | 94 | 125 | 130 |
| HONI | Existing | Erindale JB (T5/T6) | 205 | 153 | 155 | 155 | 154 | 155 |
| HONI | Existing | Erindale ZY (T3/T4) | 203 | 152 | 152 | 153 | 154 | 155 |
| HONI | Existing | Erindale EQ (T1/T2) | 191 | 181 | 185 | 189 | 191 | 191 |
| HONI | Existing | Lorne Park | 152 | 125 | 131 | 138 | 147 | 152 |
| HONI | Existing | Meadowvale | 201 | 110 | 110 | 112 | 112 | 113 |
| HONI | Existing | Tomken ZE (T3/T4) | 203 | 115 | 115 | 117 | 117 | 119 |
| HONI | Existing | Tomken BY (T1/T2) | 183 | 160 | 160 | 160 | 160 | 161 |
| HONI | Existing | Richview (BY) | 33 | 31 | 33 | 33 | 33 | 33 |
| HONI | Existing | Richview (Q) | 17 | 17 | 17 | 17 | 17 | 17 |
| HONI | Existing | Oakville | 63 | 36 | 36 | 37 | 39 | 42 |
| HONI | Existing | Bramalea BY | 82 | 77 | 80 | 80 | 82 | 82 |
| HONI | Existing | Bramalea JQ | 52 | 40 | 39 | 39 | 40 | 41 |
| HONI | Existing | Bramalea EZ | 74 | 54 | 53 | 52 | 51 | 52 |
| HONI | Existing | Woodbridge QE | 50 | 49 | 49 | 48 | 48 | 48 |
| Total MVA | | | | 1,647 | 1,686 | 1,732 | 1,794 | 1,858 |
| Total MW | | | | 1,542 | 1,573 | 1,609 | 1,650 | 1,688 |

Table 5 - Southwest Planning Zone –Station Loading Forecast (2027-2031)

| Ownership | Existing / Proposed | Station ID | Station LTR / Allocated Capacity (MVA) | Forecasted Loading 1-in-10 (MVA) | | | | |
|------------------|---------------------|----------------------------------|--|----------------------------------|------|------|------|------|
| | | | | 2027 | 2028 | 2029 | 2030 | 2031 |
| Alectra | Existing | Arlen MTS T1/T2 | 48 | 32 | 32 | 32 | 33 | 33 |
| HONI | Existing | Campbell TS T1/T2 | 101 | 95 | 98 | 100 | 101 | 101 |
| HONI | Existing | Campbell TS T3/T4 | 60 | 56 | 57 | 58 | 59 | 60 |
| HONI | Existing | Cedar TS T1/T2 | 111 | 91 | 98 | 100 | 109 | 111 |
| HONI | Existing | Cedar TS T7/T8 | 43 | 40 | 41 | 42 | 43 | 43 |
| HONI | Existing | Hanlon TS T1/T2 | 46 | 32 | 32 | 32 | 33 | 33 |
| HONI | Proposed | Campbell TS Metal Clad Expansion | 60 | | | | | 10 |
| Total MVA | | | | 346 | 358 | 364 | 378 | 391 |
| Total MW | | | | 330 | 336 | 342 | 351 | 358 |

Table 6 - West Planning Zone –Station Loading Forecast (2027-2031)

| Ownership | Existing / Proposed | Station ID | Station LTR / Allocated Capacity (MVA) | Forecasted Loading 1-in-10 (MVA) | | | | |
|------------------|---------------------|------------------------------|--|----------------------------------|--------------|--------------|--------------|--------------|
| | | | | 2027 | 2028 | 2029 | 2030 | 2031 |
| HONI | Existing | Beach BY (T3/T4) | 138 | 26 | 26 | 26 | 26 | 26 |
| HONI | Existing | Beach JQ (T5/T6) | 99 | 62 | 63 | 65 | 68 | 70 |
| HONI | Existing | Birmingham T1/T2 | 83 | 25 | 26 | 28 | 28 | 28 |
| HONI | Existing | Birmingham T3/T4 | 87 | 60 | 65 | 70 | 75 | 78 |
| HONI | Existing | Bunting JQ (T3/T4) | 84 | 68 | 68 | 70 | 72 | 73 |
| HONI | Existing | Carlton T1/T2 | 109 | 85 | 88 | 90 | 95 | 100 |
| HONI | Existing | Dundas BY (T1/T2) | 96 | 39 | 42 | 48 | 53 | 56 |
| HONI | Existing | Dundas JQ (T5/T6) | 96 | 62 | 64 | 65 | 65 | 65 |
| HONI | Existing | Elgin T5/T6 | 142 | 83 | 85 | 86 | 86 | 87 |
| HONI | Existing | Gage (T11/T12) | 73 | 10 | 10 | 10 | 11 | 11 |
| HONI | Existing | Gage KE (T8/T9) | 22 | 9 | 9 | 9 | 10 | 10 |
| HONI | Existing | Glendale T1/T2 | 92 | 32 | 34 | 34 | 36 | 36 |
| HONI | Existing | Glendale EY (T3/T4) | 20 | 19 | 20 | 20 | 20 | 20 |
| HONI | Existing | Horning T3/T4 | 119 | 71 | 71 | 74 | 74 | 74 |
| HONI | Existing | Kenilworth T2/T3 | 136 | 41 | 42 | 43 | 43 | 43 |
| HONI | Existing | Lake BY (T1/T2) | 106 | 53 | 54 | 55 | 57 | 58 |
| HONI | Existing | Lake JQ T3/T4 | 102 | 57 | 57 | 60 | 61 | 62 |
| HONI | Existing | Mohawk T1/T2 | 110 | 89 | 92 | 94 | 96 | 98 |
| HONI | Existing | Nebo BY (T1/T2) | 68 | 54 | 56 | 58 | 59 | 60 |
| HONI | Existing | Nebo QJ (T3/T4) | 56 | 56 | 56 | 56 | 56 | 56 |
| HONI | Existing | Newton BY (T1/T2) | 72 | 70 | 72 | 72 | 72 | 72 |
| HONI | Existing | Stirton T3/T4 | 102 | 54 | 55 | 56 | 57 | 58 |
| HONI | Existing | Vansickle T5/T6 | 108 | 52 | 52 | 53 | 53 | 54 |
| HONI | Existing | Winona JQ (T1/T2) | 106 | 52 | 52 | 52 | 52 | 52 |
| HONI | Proposed | Newton TS Upgrade (Capacity) | 68 | | | | | 12 |
| Total MVA | | | | 1,229 | 1,259 | 1,294 | 1,325 | 1,359 |
| Total MW | | | | 1,142 | 1,171 | 1,202 | 1,232 | 1,263 |

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.10**

5
6 Reference: Markham TS number 5; SEC-57; 2-CCC-26

7
8 Advise of the reason why the land for the GTAA project is considered an enhancement but
9 the transformer station is considered an expansion.

10
11 **RESPONSE:**

12
13 During the technical conference, Alectra Utilities identified that the response to CCC-26
14 requires correction with respect to the in-service dates for station lands and the classification
15 of Project Code 152972 – Land Purchase 230/27.6kV – GTAA TS. Please find the revised
16 version of Table B13-32 provided below as Table 1.

17
18 Alectra Utilities wishes to clarify that the land purchase for the GTAA TS is planned to be put
19 into service in 2033 at the same time as the station is planned to be energized, and both
20 projects are classified as expansions. Both the land and station expenditures are proposed
21 to be placed in-service beyond the planning period of this DSP.

1 **Table 1 - Revised version of Table B13-32**

| Project Code | Project Name | CAPEX (\$MM) | In-service date | Expansion / Enhancement | In Part / In Full | Explanation |
|--------------|---|--------------|-----------------|-------------------------|-------------------|---|
| 152758 | Build Richmond Hill TS3 | 56.5 | 2030 | Expansion | In part | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 504 |
| 152883 | 230kV UG Transmission Expansion in Brampton | 53.3 | 2034 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 561 Section 3.3.1 |
| 152889 | TS Station – 230/27.6kV Lakeview TS - South Mississauga | 50.1 | 2032 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.2 |
| 152845 | New Goreway TS - Brampton | 50.1 | 2032 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 541 Section 3.2.2.2 (A) |
| 152493 | New Station - Newton TS (Capacity) | 25.5 | 2031 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.3 |
| 151147 | New Station - Campbell TS Metal Clad Expansion | 25.5 | 2031 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.4 |
| 152850 | New Station - Hamilton South-West (Station) | 19.8 | 2033 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.3 |
| 152762 | Build Vaughan MTS#5 for VMC | 14.9 | 2033 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 509 |
| 152847 | New Heritage TS - Brampton | 13.3 | 2034 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 545 Section 3.2.2.2 (B) |
| 101488 | Build Markham TS #5 | 10 | 2027 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 502 |
| 102455 | Melbourne MS322 - 2 x 10MVA - Bradford | 9.2 | 2030 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 518 Section 3.2.1.2 (C) |
| 152844 | Land Purchase – 230/27.6kV Gateway TS - North Mississauga | 5.5 | 2034 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.2 |

| Project Code | Project Name | CAPEX (\$MM) | In-service date | Expansion / Enhancement | In Part / In Full | Explanation |
|--------------|--|--------------|-----------------|-------------------------|-------------------|---|
| 152972 | Land Purchase – 230/27.6kV - GTAA TS | 5.4 | 2033 | Expansion | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.2 |
| 152859 | Land Purchase - Brampton - New Heritage TS | 5.3 | 2034 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 545 Section 3.2.2.2 (B) |
| 152857 | Land Purchase – 230/27.6kV Lakeview TS - South Mississauga | 5.3 | 2032 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.2 |
| 152862 | Purchase Land for Future Vaughan MTS#5 | 5.1 | 2033 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 509 |
| 152723 | Pleasant TS - H29 H30 Reconductoring - Transmission | 5 | 2027 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 562 Section 3.4.1 |
| 152860 | Markham MTS#6 Land Purchase and Class EA | 5 | 2034 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 509 |
| 152973 | TS Station – 230/27.6kV GTAA TS | 4.5 | 2033 | Expansion | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.2 |
| 152909 | New Alliston 2x20MVA MS | 4.5 | 2032 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 513 Section 3.2.1.2 (A) |
| 152866 | New Station - Hamilton South-West (Land) | 3.6 | 2033 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.3 |
| 152864 | New Station - Guelph North-West (Land) | 3.3 | 2034 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.4 |
| 150366 | Webb MS New 20MVA Substation | 3 | 2030 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.2 |
| 152846 | Build Markham TS #6 | 2.8 | 2034 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 509 |
| 152888 | TS Station – 230/27.6kV Gateway TS - North Mississauga | 2.8 | 2034 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Section 3.2.2 |

| Project Code | Project Name | CAPEX (\$MM) | In-service date | Expansion / Enhancement | In Part / In Full | Explanation |
|--------------|---|--------------|-----------------|-------------------------|-------------------|---|
| 101542 | New Barrie 20MVA Substation | 2.3 | 2032 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 516 Section 3.2.1.2 (B) |
| 102128 | Aurora MS#6 Expansion | 2.1 | 2029 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 512 |
| 152870 | Land Purchase - New Barrie 20MVA Substation - Bryne Dr. | 1.9 | 2032 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 516 Section 3.2.1.2 (B) |
| 152934 | Land Purchase - New Alliston 2x20MVA MS | 1.9 | 2032 | Enhancement | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 513 Section 3.2.1.2 (A) |
| 152753 | Install Capacitor Banks at VTS1E | 1.5 | 2027 | Enhancement | In full | This project will increase supply capacity by 15MW by increasing power factor via installing capacitor banks. |
| 152484 | Vaughan TS#6-Build Station | 1.3 | 2027 | Expansion | In full | See Exhibit 2A Tab1 Schedule 1 Appendix B13-Station Capacity Page 509 |

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.11**

5
6 Reference: 3-CCC-31 Table 1; 2A-SEC-41; 2A-SEC-47 Table 1

7
8 Provide an explanation as to how to compare and reconcile the numbers in Table 1 at 3-
9 CCC-31 with the numbers in SEC-57.

10
11 **RESPONSE:**

12
13 In response to interrogatory 2A-SEC-57, Alectra Utilities provided for each station the Station
14 Limited Time Rating (LTR) or equivalent Station Allocated Capacity in MVA unit of measure.
15 Please refer to column G of 2A-SEC-57_Attach 1_Station Loading. The existing capacity is
16 the sum of the total LTR/allocated capacity and as new stations are constructed the total
17 system capacity will increase from 2028 to 2031 respectively. Also, as requested in response
18 to the interrogatory, Alectra Utilities provided the actual Station Loading from 2020 to 2025
19 and projected Station Loading for a 1-in-10 weather scenario from 2026 to 2034.

20
21 For station capacity assessments, Alectra Utilities applies capacity in MVA unit of measure.^{1,2}
22 The application of the MVA unit of measure for station capacity is appropriate, as station
23 infrastructure and equipment, including power transformers, are rated in MVA and must
24 operate within their specified thermal limits.

25
26 In an attempt to be responsive to interrogatory 3-CCC-31, Alectra Utilities was requested and
27 attempted to provide station capacity values in MW units of measure. Representing station
28 capacity limits using MW is not a practice Alectra Utilities applies due to the requirement to
29 consider a Power Factor assumption at the Station LTR limit. Since a Power Factor can vary

¹ Exhibit 2A, Tab 1, Schedule 1, Appendix B13

² Exhibit 2A, Tab 1, Schedule 1, Appendix J

1 based on the type of load and amount of demand drawn, Alectra Utilities applied a Power
 2 Factor assumption of 0.9 for station capacity limits consistent with Regional Planning
 3 practices.³

4

5 Alectra Utilities wishes to correct that in the response to 3-CCC-31, Alectra Utilities rounded
 6 station capacity values in MW were applied from 2019 to 2027 (i.e. 8,274 MW was rounded
 7 to 8,300 MW) and unadjusted MVA values were incorrectly added in 2028 to 2031. Table 1
 8 below provides the corrected System Capacity in MVA unit of measure values for Table 1 in
 9 response to 3-CCC-31.

10

11 **Table 1 – Revised System Capacity (MVA) Values for 3-CCC-31**

| Category | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| System Capacity (MVA) | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,533 | 9,533 | 9,703 | 9,831 |

12

13 Table 2 below provides a reconciliation of the revised system capacity in MVA values from
 14 3-CCC-31 with the aggregated Station LTR / Allocated Station Capacity values from 2-SEC-
 15 57 mapped from 2019 to 2031.

16

17 **Table 2 – Reconciliation of Revised System Capacity (MVA) Values for 3-CCC-31 to**
 18 **Station LTR / Allocation Station Capacity values from 2-SEC-57 from 2019-2031**

| Category | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revised 3-CCC-31 System Capacity (MVA) | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,533 | 9,533 | 9,703 | 9,831 |
| Total Station LTR / Allocated Capacity 2A- SEC 57 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,193 | 9,533 | 9,533 | 9,703 | 9,831 |

³ Exhibit 2A, Tab 1, Schedule 1, Appendix H, KWCG Needs Assessment, Page 18, GTA North Region Needs Assessment, Page 11, GTA West Needs Assessment, Page 20.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.12**

5
6 Reference: 2-SEC-60 c); 2A-SEC-63; DSP narratives, specifically Appendix B14 (pages 573-
7 596); 4-AMPCO-64 c); reference transcript for details as required.

8
9 For all material capital projects where the final cost is at least \$1 million and there is a cost
10 overrun of at least 10 percent and 100,000, provide for as far back as possible the project
11 name, the program that it may sit under, the original budget cost, the final project cost, the
12 original start date, the actual start date, the original target in-service date, the actual in-
13 service date, and final CPI and SPI scores.

14
15 **RESPONSE:**

16
17 Undertakings JT-1.12 and JT-1.13 provide a set of related information: This undertaking,
18 JT-1.12, provides additional details regarding work orders (projects) identified in 4-AMPCO-
19 64 part (c) where the final cost is greater than \$1 million and there is a cost overrun of at
20 least 10%. JT-1.13 provides higher level details on pre-merger capital expenditures.

1 Over the 2020-2025 period, Alectra Utilities' Program Delivery Group (PDG) managed a total
2 of 5,426 projects. Of that total population, 22 projects meet the requested criteria requested
3 in this undertaking (i.e., projects with a final cost of at least \$1MM and a cost overrun of at
4 least 10 percent).

5

6 Alectra Utilities notes that, while 23% of all projects managed by PDG (27% of spending
7 managed by the group) have a Cost Performance Index (CPI) greater than 10% of estimate,
8 77% of projects managed by PDG (73% of spending managed by the group) have a CPI less
9 than 10%.

10

11 Please see the attachment JT-1.12_Attach_1_Project Details.xlsx for a listing of the subset
12 of projects from 4-AMPCO-64 part (c) where the final net cost is greater than \$1 million and
13 there is a cost overrun of at least 10%.

JT-1.12

**Attachment 1
Project Details**

Please see live Excel

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.13**

5
6 Reference: 2A-SEC-63 (a); Refusal

7
8 Provide information on pre-merger capital expenditures including what higher level
9 information may be available for periods prior to 2019, and comment on the company's
10 position on how the Board should assess those expenditures in this proceeding given the
11 limitations in the available data.

12
13 **RESPONSE:**

14
15 Alectra Utilities is providing pre-2019 capital expenditures information at the investment
16 category level for each legacy utility. The data has been provided using the OEB investment
17 category structure for Appendix 2-AB, to support interpretability and assessment of the data.

18
19 As discussed in detail in interrogatory response to 2A-SEC 63, Alectra Utilities was formed
20 in 2017 through the merger of multiple legacy utilities. Prior to the enterprise resource
21 planning (ERP) system implementation in 2019, capital planning, budgeting, and reporting
22 continued to be managed under the legacy utility frameworks, reflecting a combined view of
23 separate legacy plans rather than a single consolidated capital plan. Each predecessor utility
24 used its own capital structures, project categorizations, and record-keeping practices. These
25 differences in capital budgeting practices reflected significant variations in capital work
26 scope, cost allocation, and methodologies across capital work structures across the legacy
27 utilities. The ERP system implementation in 2019 harmonized the capital categorizations
28 and facilitated a more consistent portfolio oversight and reporting across the merged utility.

29
30 For each legacy utility, data has been provided below from its last rebasing period, together
31 with yearly variance explanations at the investment category level.

1 **Legacy PowerStream:**

2

3 PowerStream's cumulative net capital expenditures over the 2017 and 2018 period remained
 4 relatively close to plan, with actual net expenditures of \$215.7MM which is \$10.0MM or 4.4%
 5 below the plan of \$225.7MM. The annual variances over the period are provided below.

6

7 **Table 1 - PowerStream**

| | 2017 Actual | | | 2018 Actual | | |
|---------------------------|-------------|--------|--------|-------------|--------|--------|
| | Plan | Actual | Var | Plan | Actual | Var |
| | \$ MM | | % | \$ MM | | % |
| System Access | 59.8 | 80.7 | 34.9% | 63.9 | 82.8 | 29.6% |
| System Renewal | 42.1 | 39.3 | -6.7% | 45.5 | 38.0 | -16.5% |
| System Service | 30.8 | 29.9 | -2.9% | 20.3 | 12.0 | -40.9% |
| General Plant | 10.8 | 8.2 | -24.1% | 11.7 | 9.7 | -17.1% |
| Gross Expenditures | 143.5 | 158.1 | 10.2% | 141.4 | 142.5 | 0.8% |
| Contributions | (27.6) | (44.1) | 59.8% | (31.6) | (40.8) | 29.1% |
| Net Expenditures | 115.9 | 114.0 | -1.6% | 109.8 | 101.7 | -7.4% |

8

9 **Year: 2017**

10 **Plan: \$115.9MM**

11 **Actual: \$114.0MM**

12 **Variance: -\$1.9MM**

13

14 Net Expenditures in 2017 remained generally aligned with the plan. General Plant
 15 expenditures were lower, mainly due to reduced information technology expenditures as
 16 projects were evaluated and timelines were adjusted during the initial integration period
 17 following Alectra Utilities' merger. System Renewal expenditures were lower than plan driven
 18 by lower pole renewal in overhead asset renewal and lower cable replacement in
 19 underground asset renewal. Some of these investments were deferred to manage
 20 constraints due to an increase in System Access expenditures. The higher System Access
 21 expenditures and contributions were driven by construction activities related to the YRRT
 22 road authority project.

1 **Year: 2018**
2 **Plan: \$109.8MM**
3 **Actual: \$101.7MM**
4 **Variance: -\$8.1MM**

5

6 Net Expenditures in 2018 were lower than planned by \$8.1MM. This was primarily due to
7 lower expenditures in System Service, System Renewal and General Plant. System Renewal
8 expenditures were below plan largely due to certain renewal projects that were not executed,
9 including substation renewal and rear-lot renewal investments, partially offset by higher
10 reactive expenditures resulting from storm events. System Service expenditures were lower
11 primarily due to lower expenditures on distribution capacity line projects, including several
12 planned 27.6 kV circuit expansion and feeder line investments that were deferred. General
13 Plant expenditures were also lower, mainly due to reduced Information Technology
14 investments as project timelines continued to adjust following the utility merger. This was
15 partially offset by higher expenditures in System Access relating to the YRRT Road Authority
16 project, which had additional funding through ICM.

1 **Legacy Hydro One Brampton:**

2

3 Hydro One Brampton’s cumulative net capital expenditures over the 2015 to 2018 period
4 were below plan, with actual net expenditures of \$115.4MM, which is \$15.6MM or 11.9%
5 lower than the plan of \$131.0MM. The annual variances over the period are provided below.

6

7 **Table 2 - Hydro One Brampton**

| | 2015 Actual | | | 2016 Actual | | | 2017 Actual | | | 2018 Actual | | |
|---------------------------|-------------|--------|--------|-------------|--------|--------|-------------|--------|--------|-------------|--------|--------|
| | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var |
|  | $ MM |  | % | $ MM |  | % | $ MM |  | % | \$ MM | | % |
| System Access | 25.9 | 29.7 | 14.7% | 25.6 | 18.8 | -26.6% | 24.7 | 19.3 | -21.9% | 24.2 | 11.7 | -51.7% |
| System Renewal | 9.5 | 9.8 | 3.2% | 8.3 | 7.2 | -13.3% | 10.3 | 11.9 | 15.5% | 10.3 | 13.6 | 32.0% |
| System Service | 7.5 | 6.2 | -17.3% | 5.4 | 4.3 | -20.4% | 4.9 | 6.0 | 22.4% | 5.3 | 5.1 | -3.8% |
| General Plant | 9.6 | 11.7 | 21.9% | 9.2 | 0.5 | -94.6% | 3.6 | 2.1 | -41.7% | 3.9 | 7.8 | 100.0% |
| Gross Expenditures | 52.5 | 57.4 | 9.3% | 48.5 | 30.8 | -36.5% | 43.5 | 39.3 | -9.7% | 43.7 | 38.2 | -12.6% |
| Contributions | (14.7) | (14.7) | -0.0% | (14.3) | (13.2) | -7.7% | (14.2) | (13.0) | -8.5% | (14.0) | (9.4) | -32.9% |
| Net Expenditures | 37.8 | 42.7 | 13.0% | 34.2 | 17.6 | -48.5% | 29.3 | 26.3 | -10.2% | 29.7 | 28.8 | -3.0% |

8

9 **Year: 2015**

10 **Plan: \$37.6MM**

11 **Actual: \$42.7MM**

12 **Variance: +\$5.1MM**

13

14 Net Expenditures in 2015 were higher than planned by \$5.1MM primarily due to higher
15 expenditures in System Access and General Plant. System Access expenditures were higher
16 than planned, mainly due to higher expenditures on the network metering replacement
17 program. The metering replacement program was required to replace specific commercial
18 meters. General Plant expenditures were higher than planned, mainly due to costs
19 associated with connection and cost recovery agreement (CCRA) payments for Pleasant TS
20 and Goreway TS load guarantees. This was partially offset by lower System Service
21 expenditures, mainly due to reduced expenditures on lines capacity project related to 27.6
22 kV Egress at Goreway TS.

1 **Year: 2016**

2 **Plan: \$34.2MM**

3 **Actual: \$17.6MM**

4 **Variance: -\$16.6MM**

5

6 Net Expenditures in 2016 were lower than planned by \$16.6MM primarily due to lower
7 expenditures in General Plant and System Access. General Plant expenditures were
8 significantly lower than planned due to lower information technology expenditures, mainly for
9 the ERP project costs included in the DSP plan that did not materialize during the year,
10 considering the upcoming merger. In addition, fleet purchases and facilities management
11 expenditures were deferred due to the pending merger. System Access was lower than
12 planned, mainly due to reduced customer connection activity and lower network metering
13 expenditure. System Renewal was lower mainly due to lower feeder cable replacement.

14

15 **Year: 2017**

16 **Plan: \$29.3MM**

17 **Actual: \$26.3MM**

18 **Variance: -\$3.0MM**

19

20 Net Expenditures in 2017 were lower than planned by \$3.0MM primarily due to lower
21 expenditures in System Access and General Plant. System Access expenditures were lower
22 mainly due to reduced road authority project activity, including delays related to Peel Region
23 funding and project change requests. General Plant expenditures were lower due to reduced
24 expenditure on building upgrades, as facilities investments were deferred during the initial
25 integration period following Alectra Utilities' formation, while the company assessed long-
26 term office space and operational requirements across its multiple service territories. This
27 was partially offset by higher System Renewal expenditures for the wood pole replacement
28 program and higher System Service expenditures due to a municipal station (MS) Primary
29 Switch upgrade.

1 **Year: 2018**
2 **Plan: \$29.7MM**
3 **Actual: \$28.8MM**
4 **Variance: -\$0.9MM**

5

6 Net Expenditures in 2018 were generally aligned with the plan. System Access expenditures
7 were lower than planned, mainly due to reduced residential subdivision activity and lower
8 road authority expenditures, partially offset by higher network metering expenditures. The
9 decreases were partially offset by higher System Renewal expenditures, mainly driven by
10 increased overhead asset renewal for the 4.16kV to 27.6kV conversion program and reactive
11 capital expenditures. General Plant expenditures were higher than plan primarily due to
12 CCRA payments for Pleasant TS and Goodwood TS, which had been deferred in prior years
13 and were completed in 2018, partially offset by lower expenditures on fleet and building
14 upgrades as facilities planning transitioned to a consolidated enterprise approach following
15 Alectra Utilities' formation.

Legacy Enersource:

Enersource's cumulative net capital expenditures over the 2013 to 2018 period remained closely aligned with plan, with actual net expenditures of \$389.9MM, which is \$0.8MM or 0.2% lower than the plan of \$390.7MM. The annual variances over the period are provided below.

Table 3 - Enersource

| | 2013 Actual | | | 2014 Actual | | |
|------------------|-------------|--------|--------|-------------|--------|--------|
| | Plan | Actual | Var | Plan | Actual | Var |
| | \$ MM | | % | \$ MM | | % |
| System Access | 5.5 | 6.7 | 21.8% | 6.0 | 5.6 | -6.7% |
| System Renewal | 16.3 | 20.9 | 28.2% | 18.3 | 31.2 | 70.5% |
| System Service | 11.1 | 8.2 | -26.1% | 10.3 | 11.0 | 6.8% |
| General Plant | 13.2 | 6.8 | -48.5% | 10.7 | 6.2 | -42.1% |
| Net Expenditures | 46.1 | 42.6 | -7.6% | 45.3 | 54.0 | 19.2% |

| | 2015 Actual | | | 2016 Actual | | | 2017 Actual | | | 2018 Actual | | |
|--------------------|-------------|--------|--------|-------------|--------|--------|-------------|--------|--------|-------------|--------|--------|
| | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var |
|  | $ MM |  | % | $ MM |  | % | $ MM |  | % | \$ MM | | % |
| System Access | 10.4 | 18.6 | 78.8% | 15.9 | 16.1 | 1.3% | 13.2 | 11.7 | -11.4% | 18.8 | 18.1 | -3.7% |
| System Renewal | 34.4 | 44.7 | 29.9% | 43.0 | 40.4 | -6.0% | 43.5 | 43.9 | 0.9% | 48.3 | 41.6 | -13.9% |
| System Service | 12.1 | 9.1 | -24.8% | 8.5 | 7.5 | -11.8% | 5.0 | 4.3 | -14.0% | 6.0 | 2.7 | -55.0% |
| General Plant | 40.3 | 50.0 | 24.1% | 7.5 | 4.3 | -42.7% | 6.8 | 2.4 | -64.7% | 6.7 | 2.5 | -62.7% |
| Gross Expenditures | 97.2 | 122.4 | 25.9% | 74.9 | 68.3 | -8.8% | 68.5 | 62.3 | -9.1% | 79.8 | 64.9 | -18.7% |
| Contributions | (3.2) | (6.4) | 100.0% | (5.6) | (4.2) | -25.0% | (5.1) | (5.0) | -2.0% | (7.2) | (9.0) | -25.0% |
| Net Expenditures | 94.0 | 116.0 | 23.4% | 69.3 | 64.1 | -7.5% | 63.4 | 57.3 | -9.6% | 72.6 | 55.9 | -23.0% |

Year: 2013

Plan: \$46.1MM

Actual: \$42.6MM

Variance: -\$3.5MM

Net Expenditures in 2013 were lower than planned by \$3.5MM primarily due to lower expenditures in General Plant and System Service. General Plant expenditures were lower mainly due to lower spending on several information technology projects such as Engineering

1 and Asset systems, ERP Systems and Meter to Cash Systems. System Service expenditures
2 were lower, reflecting the timing of municipal substation and subtransmission investments.
3 These reductions were partially offset by higher expenditures in System Renewal,
4 undertaken to address aging infrastructure and reliability considerations identified through
5 asset condition reviews. System Access was higher largely due to timing differences in
6 customer-driven investments, mostly from industrial and commercial services as these
7 projects are dependent on customer demand and developer schedules.

8
9 **Year: 2014**

10 **Plan: \$45.3MM**

11 **Actual: \$54.0MM**

12 **Variance: +\$8.7MM**

13
14 Net Expenditures in 2014 were higher than planned by \$8.7MM primarily due to higher
15 expenditures in System Renewal. System Renewal expenditures were higher, mainly due to
16 accelerated replacement of deteriorated distribution infrastructure, including overhead asset
17 renewal and replacement of leaking transformers. System Service expenditures were also
18 marginally higher due to the timing and scope of capacity and reliability investments such as
19 municipal substation upgrades, subtransmission expansion, and automation initiatives.
20 These increases were partially offset by lower expenditures in General Plant, primarily due
21 to lower spending on IT systems and facilities as several planned investments were deferred.

22
23 **Year: 2015**

24 **Plan: \$94.0MM**

25 **Actual: \$116.0MM**

26 **Variance: +\$22.0MM**

27
28 Net expenditures in 2015 were higher than planned by \$22.0MM primarily due to higher
29 spending in System Access, System Renewal and General Plant, partially offset by lower
30 expenditures in System Service. System Access expenditures were higher mainly due to
31 increased customer-driven work, including new subdivisions and industrial and commercial
32 service connections, consistent with increased development activity in Mississauga during

1 the period. System Renewal expenditures were higher primarily due to increased renewal
2 work on overhead, underground distribution and leaking transformer assets. General Plant
3 expenditures were higher primarily due to higher expenditures for Churchill Meadows CCRA
4 by \$10.5MM, reflecting the final Hydro One invoice based on updated load forecasts. This
5 was partially offset by lower expenditures for System Service, mainly due to lower spending
6 on lines capacity projects compared to plan.

7

8 **Year: 2016**

9 **Plan: \$69.3MM**

10 **Actual: \$64.1MM**

11 **Variance: -\$5.2MM**

12

13 Net Expenditures in 2016 were lower than planned by \$5.2MM primarily due to lower
14 expenditures in System Renewal, System Service and General Plant. System Renewal
15 expenditure was lower, mainly due to lower spending on underground asset replacements
16 and station renewal activities. System Service expenditures were lower mainly due to lower
17 spending on certain lines capacity, and station capacity projects relative to the plan. General
18 Plant expenditure was lower primarily due to reduced spending on facilities, fleet and
19 information technology investments relative to plan. Some planned investments were
20 deferred or rescheduled to future years due to the pending merger. This was partially offset
21 by higher System Access expenditures primarily due to increased levels of customer-driven
22 work, including new service connections and subdivision developments, consistent with the
23 ongoing activity in the service territory.

24

25 **Year: 2017**

26 **Plan: \$63.4MM**

27 **Actual: \$57.3MM**

28 **Variance: -\$6.1MM**

29

30 Net Expenditures in 2017 were lower than plan by \$6.1MM primarily due to lower
31 expenditures in General Plant and System Access. General Plant expenditures were lower
32 mainly due to reduced spending on facilities, fleet, and information technology systems, as

1 2017 marked the first year following Alectra Utilities' formation, and such expenditures were
2 reassessed and replanned as part of the transition to an integrated enterprise approach.
3 System Access expenditures were lower primarily due to lower road authority for timeline
4 changes by municipality and lower metering expenditures. System Service expenditures
5 were below plan by an immaterial amount.

6

7 **Year: 2018**

8 **Plan: \$72.6MM**

9 **Actual: \$55.9MM**

10 **Variance: -\$16.7MM**

11

12 Net Expenditures in 2018 were lower than planned by \$16.7MM primarily due to lower
13 expenditures in System Renewal, System Service, and General Plant. System Renewal
14 expenditures were lower mainly due to lower underground asset renewal and substation
15 renewal, partially offset by higher transformer renewal expenditures. The lower underground
16 renewal spending included reduced execution of planned rebuild and cable replacement
17 programs in the year. System Service expenditures were also lower, primarily due to lower
18 spending on lines capacity and SCADA and automation projects. General Plant expenditures
19 were lower, mainly due to reduced spending on facilities and information technology systems.

1 **Legacy Horizon Utilities:**

2

3 Horizon Utilities' cumulative net capital expenditures over the 2015 to 2018 period remained
4 relatively close to plan, with actual net expenditures of \$181.8MM, which is \$9.7MM or 5.6%
5 above the plan of \$172.1MM. The annual variances over the period are provided below.

6

7 **Table 4 - Horizon Utilities**

| | 2015 Actual | | | 2016 Actual | | | 2017 Actual | | | 2018 Actual | | |
|---------------------------|-------------|--------|-------|-------------|--------|--------|-------------|--------|--------|-------------|--------|--------|
| | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var |
| | \$ MM | | % | \$ MM | | % | \$ MM | | % | \$ MM | | % |
| System Access | 12.7 | 13.3 | 4.7% | 12.7 | 22.0 | 73.2% | 12.1 | 18.4 | 52.1% | 12.4 | 15.7 | 26.6% |
| System Renewal | 16.6 | 17.0 | 2.4% | 26.9 | 22.8 | -15.2% | 31.8 | 32.1 | 0.9% | 33.0 | 26.6 | -19.4% |
| System Service | 4.1 | 5.6 | 36.6% | 0.3 | 2.0 | 566.7% | 0.6 | 1.0 | 66.7% | 2.0 | 1.5 | -25.0% |
| General Plant | 9.5 | 15.9 | 67.4% | 5.9 | 5.2 | -11.9% | 5.8 | 1.9 | -67.2% | 4.4 | 4.3 | -2.3% |
| Gross Expenditures | 42.9 | 51.8 | 20.7% | 45.8 | 52.0 | 13.5% | 50.3 | 53.4 | 6.2% | 51.8 | 48.1 | -7.1% |
| Contributions | (4.6) | (5.1) | 10.9% | (4.7) | (7.6) | 61.7% | (4.7) | (4.8) | 2.1% | (4.7) | (6.0) | 27.7% |
| Net Expenditures | 38.3 | 46.7 | 21.9% | 41.1 | 44.4 | 8.0% | 45.6 | 48.6 | 6.6% | 47.1 | 42.1 | -10.6% |

8

9 **Year: 2015**

10 **Plan: \$38.3MM**

11 **Actual: \$46.7MM**

12 **Variance: +\$8.4MM**

13

14 Net Expenditures in 2015 were higher than planned by \$8.4MM primarily due to higher
15 expenditures in General Plant and System Service. General Plant expenditures were higher
16 than planned, largely due to payments to Hydro One associated with the CCRA agreement
17 for the Winona Transformer Station. System Service expenditures were higher, reflecting the
18 completion of the Nebo Egress Cable project that carried over from the prior year.

1 **Year: 2016**

2 **Plan: \$41.1MM**

3 **Actual: \$44.4MM**

4 **Variance: +\$3.3MM**

5

6 Net Expenditures in 2016 were higher than planned by \$3.3MM primarily due to higher
7 expenditures in System Access and System Service. System Access expenditures were
8 higher, primarily driven by large industrial customer projects for large regional infrastructure
9 development projects along the waterfront, combined with increased demand for new large
10 industrial customers, transit-related work, and increased development activity in the Hamilton
11 region associated with residential and subdivision growth. System Service expenditures were
12 also higher, reflecting completion of the Waterdown 3rd Feeder project, which began
13 construction in the prior year but was completed and put in service in 2016. These increases
14 were partially offset by lower expenditures in System Renewal due to the cancellation of the
15 Gage Transformer Station Egress Feeder project, which was dependent on Hydro One
16 completing associated switchgear work. General Plan was lower than the plan by an
17 immaterial amount.

18

19 **Year: 2017**

20 **Plan: \$45.6MM**

21 **Actual: \$48.6MM**

22 **Variance: +\$3.0MM**

23

24 Net Expenditures in 2017 were higher than planned by \$3.0MM primarily due to ongoing
25 higher expenditures in System Access driven by continued customer growth in the Hamilton
26 region. Higher customer connection activity and expansion-related work for new
27 developments contributed to the increase in spending. System Service was higher due to
28 increased focus on the removal of deteriorated #6 wire, leading to potential safety concerns.
29 This was partially offset by lower expenditures in General Plant relative to plan, mainly due
30 to lower expenditures on facilities management and information technology due to project
31 reevaluation as part of the overall merged entity process or examining planned work.

1 **Year: 2018**

2 **Plan: \$47.1MM**

3 **Actual: \$42.1MM**

4 **Variance: -\$5.0MM**

5

6 Net Expenditures in 2018 were lower than planned by \$5.0MM primarily due to lower
7 expenditures in System Renewal. System Renewal expenditures were lower, mainly due to
8 timing and deferral of projects as harmonized policies and processes across Alectra
9 Utilities were implemented. Furthermore, overall spending was reviewed as a holistic
10 approach across Alectra Utilities, and certain Renewal projects were deferred to
11 accommodate higher spending in System Access, associated with continued higher
12 customer connections growth and expansion requests in the Hamilton region. System
13 Service was lower by an immaterial amount.

1 **Legacy Guelph:**

2

3 Guelph Hydro's cumulative net capital expenditures over the 2016 to 2018 period remained
 4 relatively close to plan, with actual net expenditures of \$31.1MM, which is \$0.2MM or 0.6%
 5 below the plan of \$31.3MM. The annual variances over the period are provided below.

6

7 **Table 5 - Guelph Hydro**

| | 2016 Actual | | | 2017 Actual | | | 2018 Actual | | |
|---------------------------|-------------|--------|--------|-------------|--------|--------|-------------|--------|--------|
| | Plan | Actual | Var | Plan | Actual | Var | Plan | Actual | Var |
| | \$ MM | | % | \$ MM | | % | \$ MM | | % |
| System Access | 5.4 | 4.1 | -24.1% | 5.5 | 2.5 | -54.5% | 5.7 | 6.0 | 5.3% |
| System Renewal | 4.5 | 6.2 | 37.8% | 4.6 | 7.5 | 63.0% | 4.8 | 4.8 | 0.0% |
| System Service | 1.9 | 3.0 | 57.9% | 1.9 | 1.7 | -10.5% | 2.0 | 1.2 | -40.0% |
| General Plant | 2.2 | 1.3 | -40.9% | 1.5 | 1.4 | -6.7% | 1.5 | 0.7 | -53.3% |
| Gross Expenditures | 14.0 | 14.6 | 4.3% | 13.5 | 13.1 | -3.0% | 14.0 | 12.7 | -9.3% |
| Contributions | (3.3) | (3.1) | -6.1% | (3.4) | (1.3) | -61.8% | (3.5) | (4.9) | 40.0% |
| Net Expenditures | 10.7 | 11.5 | 7.5% | 10.1 | 11.8 | 16.8% | 10.5 | 7.8 | -25.7% |

8

9 **Year: 2016**

10 **Plan: \$10.7MM**

11 **Actual: \$11.5MM**

12 **Variance: +\$0.8MM**

13

14 Net Expenditures in 2016 were slightly higher than planned by \$0.8MM, primarily due to
 15 higher expenditures in System Renewal and System Service. System Renewal expenditures
 16 increased due to higher spending on rehabilitation replacement work required to address
 17 system needs. System Service expenditures were higher, driven by the continuation of the
 18 Rockwood MS#1 reconstruction project, which was not in the plan. This was partially offset
 19 by lower System Access expenditures, mainly due to reduced road authority expenditures.
 20 General Plant expenditures were lower than planned primarily due to reduced spending on
 21 facilities.

1 **Year: 2017**

2 **Plan: \$10.1MM**

3 **Actual: \$11.8MM**

4 **Variance: +\$1.7MM**

5

6 Net Expenditures in 2017 were higher than planned by \$1.7MM primarily due to increased
7 expenditures in System Renewal. The increase was primarily driven by higher rehabilitation
8 replacement work as a result of the removal of problematic and obsolete poles with integrated
9 transformer units from the system, which required accelerated replacement activity during
10 the year. This was partially offset by lower System Access expenditures, mainly due to lower
11 road authority project expenditures due to deferrals and lower customer connections
12 expenditures. System Service and General Plant were lower for immaterial amounts.

13

14 **Year: 2018**

15 **Plan: \$10.5MM**

16 **Actual: \$7.8MM**

17 **Variance: -\$2.7MM**

18

19 Net Expenditures in 2018 were lower than planned by \$2.7MM primarily due to lower
20 expenditures in System Service and General Plant. System Service expenditures were
21 lower primarily due to reduced spending on capacity related projects due to deferrals and
22 the pending merger. General Plant expenditures were lower than planned, primarily due to
23 reduced spending on facilities management and information technology investments.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.14**

5
6 Reference: 2A-SEC-45 Attachment 1

7
8 Provide revised versions of 2A-SEC-44 Attachment 1 and SEC-45 Attachment 1 showing the
9 net basis at the program or segment level.

10
11 **RESPONSE:**

12
13 Alectra Utilities provides the tables as Excel attachment named JT-
14 1.14_Attach_1_2AA_CapEx_Net which includes net basis dollars at the program and
15 segment level corresponding to 2A-SEC-44 Attachment 1.

16
17 Alectra Utilities provides the tables as Excel attachment named JT-
18 1.14_Attach_2_2AA_INS_Net which includes net basis dollars at the program and segment
19 level corresponding to SEC-45 Attachment 1.

JT-1.14

**Attachment 1
2AA CapEx Net**

Please see live Excel

JT-1.14

**Attachment 2
2AA INS Net**

Please see live Excel

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **SCHOOL ENERGY COALITION**

3
4 **JT-1.15**

5
6 Reference: 2A-SEC-27; 4-SEC-86 c) Table 1; 4-CC-53 Table 1; 4-SEC-89; 1-SEC-24
7

8 Provide an explanation for the difference between the 2025 actual asset management costs
9 shown in Appendix 2JC and the 2025 forecast asset management costs shown in Exhibit 4,
10 VECC-47.

11
12 **RESPONSE:**

13
14 The \$2.1MM variance between the 2025 actual Asset Management cost of \$7.5MM (provided
15 in Interrogatory Response 4-VECC-47) and the forecast of \$9.6MM (provided in Appendix 2-
16 JC) is primarily attributable to:

- 17
- 18 • Vacancy-related timing impacts (\$0.7MM): Actual Asset Management FTEs were
19 59.9 compared to a budget of 65.4, reflecting the timing of filling vacant positions
20 during the year relative to the forecast.
 - 21
 - 22 • Higher labour capitalization (\$1.2MM): A greater proportion of labour costs were
23 allocated to capital activities than forecast, reflecting increased time spent supporting
24 capital programs across Asset Management functions.
 - 25
 - 26 • Consulting cost (\$0.2MM): Lower than expected expenditures on consulting costs.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **CONSUMERS COUNCIL OF CANADA**

3
4 **JT-1.16**

5
6 Reference: 2-CCC-16, part B, Table 4; 2-CCC-18 Attachment 1

7
8 Provide the breakdown of the unspecified category on 2-CCC-18, Attachment 1 between
9 knowns that are included versus using the historical average. It appears that the historical
10 average contribution and in the forecast period contribution have different percentages.
11 Please explain how the capital contribution forecasting for the test period was determined.

12
13 **RESPONSE:**

14
15 For the unspecified project component and known projects, the average gross customer-
16 initiated expenditures from all projects between 2022 to 2024 were used as a baseline to
17 forecast future unspecified expenditures. This historical baseline includes all customer
18 initiated projects (excluding Joint Use and Transit Expansion portfolios) that occurred during
19 those years.

20
21 At the time the future budget was established, Alectra did not have visibility into many specific
22 Very Large Projects (VLPs) in the outer years of the planning horizon.

23 As a result, the historical average of customer-initiated expansion and relocation projects
24 from 2022 to 2024, which included both smaller projects and VLP activity, was used as the
25 baseline for forecasting.

26 From this baseline, adjustments were applied to reflect observed trends in recent years,
27 including increased system expansion activity for known development projects. In years
28 where specific projects had already been identified and forecast individually, the unspecified
29 bucket was reduced accordingly to avoid double counting.

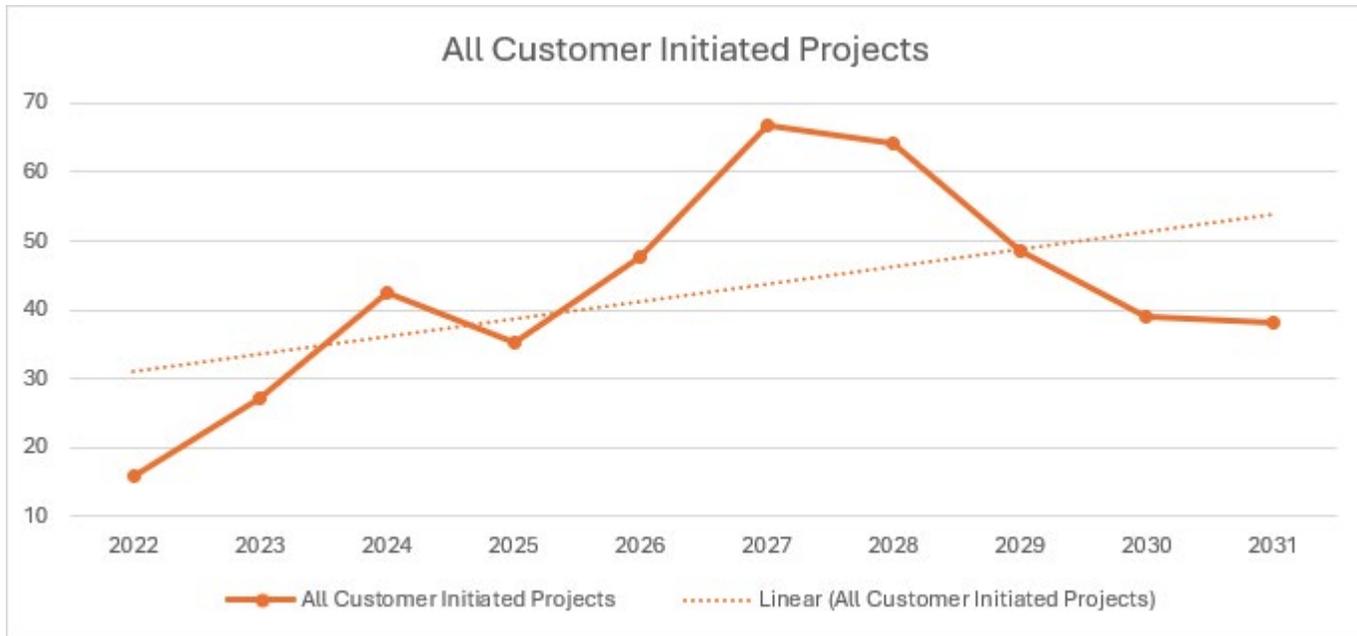
1 The final forecast does not reflect a direct or fixed percentage increase applied to the
2 historical average. The resulting values reflect the analysis that considered historical
3 spending patterns, recent trends in customer-driven expansion activity, and visibility into the
4 development pipeline at the time the forecast was prepared. Given the inherent uncertainty
5 associated with future customer-initiated work, particularly for VLPs that had not yet been
6 formally identified, this approach was used to establish a reasonable forecast for the DSP
7 period.

8 Accordingly, the forecast should be understood as a planning-level estimate rather than the
9 result of a single deterministic calculation.

10

11 When reviewing the forecast, it is important to consider the total program level for the
12 customer-initiated projects, excluding Joint Use and Transit Expansion projects, rather than
13 focusing solely on the unspecified bucket. In the later years of the forecast horizon, the value
14 of the unspecified bucket increases since a greater portion of the potential VLPs would have
15 been unknown at the time the forecast was prepared. At the same time, the budget for known
16 projects trends downward, resulting in a more balanced forecast overall. The graph below
17 shows the historical overall spend, along with the proposed future spending for the total
18 program level.

1 **Figure 1 – All Customer Initiated Projects**



2

3

4 Actual spending on system expansion and relocation projects in 2024 exceeded the total
5 forecasted spending for these same project categories in 2030 and 2031, years in which very
6 few specific VLPs had been identified at the time the forecast was prepared.

7

8 In addition, Alectra is currently designing several new system expansion projects that were
9 not known and therefore were not included in the original forecast. These projects are likely
10 to be constructed within the next five years.

11

12 The historical contribution percentage of 63.6% referenced in the question appears to have
13 been calculated by taking a combined average of contributions across both Customer-
14 Initiated Expansion and Customer-Initiated Relocation projects. This differs from Alectra's
15 forecasting approach.

16

17 In developing the forecast, Alectra evaluated Customer-Initiated Expansion projects and
18 Customer-Initiated Relocation projects separately, as these categories are driven by different
19 types of work and have different historical contribution levels. As a result, the overall
20 contribution percentage will depend on the relative mix of these project types. Refer to Exhibit

1 2A, Tab1, Schedule 1, Appendix B10, page 409 of 653, lines 10 to 14 for the Customer
2 Initiated Expansion and Customer Initiated Relocation projects where the evidence lists the
3 contribution levels for each of these project types.

4

5 The mix of Expansion and Relocation projects in the forecast period differs from the mix
6 observed in the historical period. While the number of projects and spending on Relocation
7 projects is expected to be similar to historical levels, the number of projects and spending on
8 Expansion projects is expected to increase significantly from historical levels. Because these
9 two categories have different contribution levels, a change in the proportion of work between
10 them will affect the overall average contribution percentage.

11

12 Accordingly, the average historical contribution percentage referenced in the question is not
13 directly comparable to the forecast contribution percentage presented in the evidence.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **CONSUMERS COUNCIL OF CANADA**

3
4 **JT-1.17**

5
6 Provide a summary of the initial economic analysis with respect to the projects that do not
7 attract a capital contribution.

8
9 **RESPONSE:**

10
11 Alectra Utilities' response below provides the EEM Summary for the projects referenced in
12 2-CCC-17 that have no forecast capital contribution during the 2027-2031 period. These
13 project codes are 152602, 153230, 153231, 153233, and 153236.

14
15 The economic evaluations were each conducted using Alectra's standard Economic
16 Evaluation Model methodology. Key assumptions included the forecast peak load associated
17 with the project, a staged ramp-up of customer demand over the connection horizon, the
18 applicable distribution rates for the rate zone, and a revenue horizon consistent with the
19 economic evaluation framework used for the specified rate class. Consistent with the
20 economic evaluation framework, the developer's capital contribution and associated security
21 arrangements ensure that the costs of the connection facilities are appropriately allocated,
22 such that other ratepayers are not exposed to the risk of under-recovery should the forecast
23 load not materialize as expected.

24
25 For each of the projects listed below, the preliminary economic evaluation indicated that the
26 forecast distribution revenues associated with the development over the revenue horizon are
27 sufficient to recover the cost of the required system expansion, resulting in no developer
28 capital contribution being required for the phases forecast within the 2027-2031 period.

29
30 The tables below provide the EEM Summary and Developer Summary for each project.

31
32 **Table 1 – Project Summary and Developer Summary**

| Project Code | Project Name | Net 2027-2031 (\$MM) | Gross 2027-2031 (\$MM) | Expected In-service Date | EEM Summary |
|---------------------|--|-----------------------------|-------------------------------|---------------------------------|--------------------|
| 152602 | Customer Initiated Distribution System Expansion Project - GTAA Feeders | 9.5 | 9.5 | 2028 | Table 2 |
| 153230 | Customer Initiated Distribution System Expansion - Toronto Gore (Block 47) | 15.3 | 15.3 | 2029 | Table 3 |
| 153231 | Customer Initiated Distribution System Expansion (East South) - Angus Glen Developments | 11.1 | 11.1 | 2028 | Table 4 |
| 153233 | Customer Initiated Distribution System Expansion (East South) - Block 27 | 5.9 | 5.9 | 2028 | Table 5 |
| 153236 | Customer Initiated Distribution System Expansion Project - Block 52 Mississauga Rd & Williams Pkwy | 29 | 29 | 2028 | Table 6 |

1

Table 2 - Project 152602 - EEM Summary

| Economic Evaluation Model (EEM) Summary | |
|---|--|
| Inputs: | |
| Project Name: | 152602 - Customer Initiated Distribution System Expansion Project - GTAA Feeders |
| Type of Project: | Industrial/Commercial/Institutional (ICI) |
| Revenue Horizon: | 25 Years |
| Connection Horizon: | 5 Years |
| Rate Zone: | ERZ |
| Energization Year: | 2028 |
| Estimated Customer Connections / Load: | ██ ██ ██ |
| Estimated Total Project Costs: | \$15.3M (\$5.8M in 2026 and \$9.5M between 2027-2031) |
| Outputs: | |
| PV (Revenues) | ████████ |
| PV (Capital and Operating Costs, incl. CCA TAX Shield) | ████████ |

2

1 Due to the multi-phase nature of the GTAA System Expansion project, parts of the expansion
 2 have already been completed under an executed OTC and the associated customer
 3 contributions will be recognized prior to 2027. However, the spending associated with the
 4 remaining phases of the project scheduled for construction between 2027 and 2031 are not
 5 expected to generate additional customer contributions, as per the original mock EEM.

6 **Table 3 - Project 153230 - EEM Summary**

| Economic Evaluation Model (EEM) Summary | |
|--|---|
| Inputs: | |
| Project Name: | 153230 - Customer Initiated Distribution System Expansion - Toronto Gore (Block 47) |
| Type of Project: | Residential |
| Revenue Horizon: | 40 years |
| Connection Horizon: | 15 years |
| Rate Zone: | BRZ |
| Energization Year: | 2029 |
| Customer Connections / Load: | ██ ████████████████████ |
| Estimated Total Project Costs: | \$15.3M |
| Outputs: | |
| PV (Revenues): | ████████ |
| PV (Capital and Operating Costs, incl. CCA TAX Shield) | ████████ |

7

1

Table 4 - Project 153231 - EEM Summary

| Economic Evaluation Model (EEM) Summary | |
|---|--|
| Inputs: | |
| Project Name: | 153231 - Customer Initiated Distribution System Expansion (East South) - Angus Glen Developments |
| Type of Project: | Residential |
| Revenue Horizon: | 40 years |
| Connection Horizon: | 15 years |
| Rate Zone: | PRZ |
| Energization Year: | 2028 |
| Customer Connections / Load: | ██ ████████████████████ |
| Estimated Total Project Costs: | \$11.1M |
| Outputs: | |
| PV (Revenues): | ████████ |
| PV (Capital and Operating Costs, incl. CCA TAX Shield) | ████████ |

2

3

Table 5 - Project 153233 - EEM Summary

| Economic Evaluation Model (EEM) Summary | |
|--|--|
| Inputs: | |
| Project Name: | 153233 - Customer Initiated Distribution System Expansion (East South) - Block 27 |
| Type of Project: | Residential |
| Revenue Horizon: | 40 years |
| Connection Horizon: | 15 years |
| Rate Zone: | PRZ |
| Energization Year: | 2028 |

| | |
|--|------------|
| Customer Connections / Load: | [REDACTED] |
| Estimated Total Project Costs: | \$5.9M |
| Outputs: | |
| PV (Revenues): | [REDACTED] |
| PV (Capital and Operating Costs, incl. CCA TAX Shield) | [REDACTED] |

1

Table 6 - Project 153236 - EEM Summary

| Economic Evaluation Model (EEM) Summary | |
|--|---|
| Inputs: | |
| Project Name: | 153236 -Customer Initiated Distribution System Expansion Project - Block 52 Mississauga Rd & Williams Pkwy |
| Type of Project: | Residential |
| Revenue Horizon: | 40 years |
| Connection Horizon: | 15 years |
| Rate Zone: | BRZ |
| Energization Year: | 2028 |
| Customer Connections / Load: | <div style="background-color: black; height: 15px; width: 100%;"></div> <div style="background-color: black; height: 15px; width: 95%;"></div> <div style="background-color: black; height: 15px; width: 85%;"></div> <div style="background-color: black; height: 15px; width: 75%;"></div> <div style="background-color: black; height: 15px; width: 40%;"></div> |
| Estimated Total Project Costs: | \$29.0M |
| Outputs: | |
| PV (Revenues): | <div style="background-color: black; height: 15px; width: 100%;"></div> |
| PV (Capital and Operating Costs, incl. CCA TAX Shield) | <div style="background-color: black; height: 15px; width: 100%;"></div> |

2

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **CONSUMERS COUNCIL OF CANADA**

3
4 **JT-1.18**

5
6 Reference: 2-CCC-22, page 3

7
8 Advise whether the company categorizes projects as enhancement that do or do not have
9 related applications or offers to connect.

10
11 **RESPONSE:**

12
13 In accordance with the Distribution System Code (DSC), Alectra Utilities categorizes projects
14 as system enhancements to build the system to improve system operating characteristics, to
15 improve performance and reliability and to relieve system capacity constraints due to general
16 area growth. Alectra Utilities categorizes projects as system expansion per the DSC to
17 connect specific customers upon such request and application.

18
19 Accordingly, Alectra Utilities categorizes system capacity projects driven by broader system
20 needs (general area growth, operational needs, capacity constraints and/or improving
21 reliability) and absent customer-specific connection requests as enhancements in the DSP.

22
23 An example project categorized as system enhancement is Project 150716 which proposed
24 to build a Feeder (42M69) Extension from Williams Parkway to the intersection of Heart Lake
25 and Sandalwood to provide capacity relief to the existing feeders 136M8 and 42M45 in the
26 area.

27
28 Alectra Utilities has not received new customer requests to connect to this new feeder
29 (42M69) nor does the project have any Offers to Connect on the proposed feeder.

30 Alectra Utilities proposes to accomplish this capacity relief in the general area by extending
31 feeder 42M69 from Williams Parkway along to Heart Lake Road and reconfiguring the

1 existing system so that the feeders 136M8 and 42M45 return to operations within the
 2 planning limit of 400A.

3

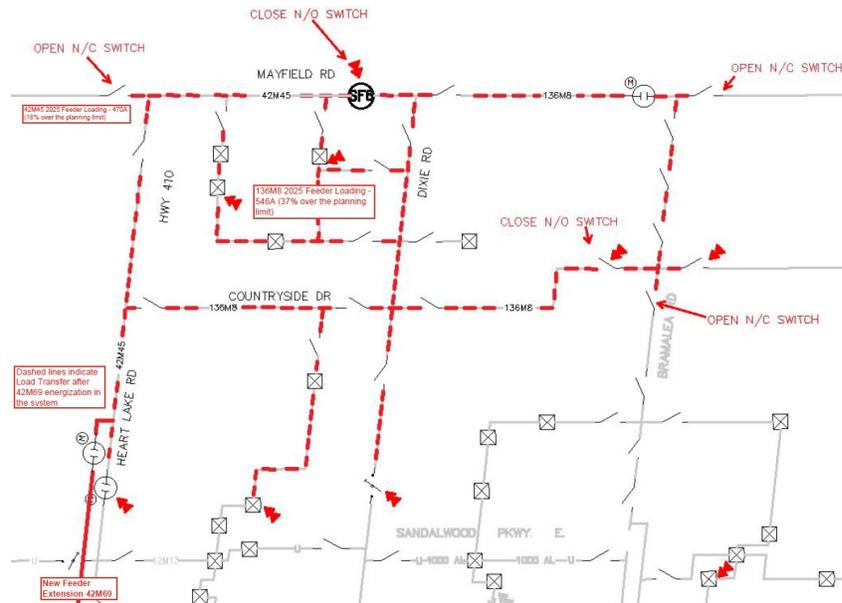
4 The area bound by Heart Lake Road and Bramalea and Countryside and Mayfield is currently
 5 supplied by two feeders 136M8 and 42M45. Both these feeders have been operating above
 6 the planning limit for the last five years while 136M8 is approaching the thermal limit of 600A.

7

8 In 2025, feeders 136M8 and 42M45 operated at 546A and 470A respectively. In the event of
 9 an outage in the area, neither 136M8 nor 42M45 could accommodate any load transfers as
 10 transfers would exceed the thermal limit of 600A. Alectra Utilities has determined it needs to
 11 proceed with the system enhancement by means of a 42M69 feeder extension and
 12 reconfiguring the system to ensure operability and reliability of the system. For illustrative
 13 purposes, Alectra Utilities provides Figure 1 which demonstrates the general system
 14 configuration after the completion of the new feeder 42M69 extension. There are no specific
 15 customers that have requested connection to feeder 42M69.

16

17 **Figure 1 – General Configuration of Feeders in Heart Lake Road and Mayfield Area**



1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **CONSUMERS COUNCIL OF CANADA**

3
4 **JT-1.19**

5
6 Reference: 2-CCC-26, page 26 page 2; Exhibit 2A, Tab 1, Schedule 1, Appendix Q, page 88

7
8 To look into and confirm whether or not there are any applications for service or offers to
9 connect associated with Webb MS.

10
11 **RESPONSE:**

12
13 Alectra Utilities confirms that there are currently no applications for service nor offers to
14 connect associated with Webb MS.

15
16 Alectra Utilities applies the Distribution System Code to determine the categorization of
17 system capacity projects as enhancements for the purpose of relieving system capacity
18 constraints and improving system operating characteristics in the general area of growth.

19
20 Alectra Utilities is servicing all existing customers and developments in the Mississauga
21 downtown core through 24 existing feeders and four municipal stations utilizing an open-loop
22 configuration network system with multiple tie points to provide reliability and operational
23 flexibility in a congested downtown setting. The general load growth in the downtown area is
24 straining the system operating in accordance with N-1 contingency requirements and is
25 projected to exceed available capacity by 2030.

26
27 Upon completion of the proposed Webb MS, the station will relieve system capacity
28 constraints and improve N-1 operating characteristics in the downtown core of Mississauga.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **CONSUMERS COUNCIL OF CANADA**

3
4 **JT-1.20**

5
6 Reference: 2-CCC-26 page 3; 2-CCC-24

7
8 Expand the table in CCC-24 to include the entire cost of the related station capacity project
9 and the total contribution that was made.

10 Actual Transcript:

- 11 • L. GLUCK: No. Thank you. So in CCC-24, we asked a few questions about the
12 treatment of data centres that are connecting to Alectra's system during the upcoming
13 IR term. And the first thing I would like to address is if we could go -- if we go down a
14 bit, there is a table. And under that table, there is a statement that the station's
15 capacity project related to the data centres connections began in 2025, and the
16 contribution was applied against '25 and '26 expenditures. Can you first confirm that
17 this means that there was a capital contribution paid related to the stations work?
18 • D. FAIRCHILD: Subject to check, I will confirm we received a contribution.
19 • L. GLUCK: Thank you. And can you please undertake to expand the table to include
20 the entire cost of the related station capacity project and the total contribution that
21 was made?
22 • D. FAIRCHILD: Total station cost, so total gross, total contribution, total net?
23 • L. GLUCK: That is right. Just going back a few years.
24 • D. FAIRCHILD: Yeah, we can do that.
25 • L. GLUCK: Thank you.
26 • R. DHILLON: We will mark that as Undertaking JT-1.20.

27
28 **RESPONSE:**

29
30 The table below expands the information provided in CCC-24 to show the total gross cost,
31 customer contribution, and net expenditure associated with the related station capacity
32 project supporting the data centre connection referenced in CCC-24.

1 **Table 1 – Capacity (Stations) Expenditures**

| Program type | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---------------------|------------------|------|------|------|------|------|------|------|
| Capacity (Stations) | Gross | | | 1.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Contributions | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Net Expenditures | | | 1.3 | 0.0 | 0.0 | 0.0 | 0.0 |

2

3 As shown in the table, the customer capital contribution related to this station capacity project

4 was applied against the 2025 and 2026 expenditures.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **CONSUMERS COUNCIL OF CANADA**

3
4 **JT-1.21**

5
6 Reference: 2-CCC-24; 2-AMPCO-53 Attachment 1; 2A-SEC-63, page 21
7

8 If available on a best-efforts basis, provide any change orders, project close-out reports, or
9 other internal documentation related to the Hamilton South Mountain feeders capacity relief
10 project and the Extend Bunting M81 feeder project.
11

12 **RESPONSE:**
13

14 Please see JT-1.21_Attachment_1 and JT-1.21_Attachment_2 for project close out reports
15 for the two projects. The differences between the 2020-2024 DSP budgets provided, and the
16 final actual costs for these projects is primarily attributable to:

- 17 - The time difference between initial budget and final detailed design estimates
18 resulting in inflationary costs due to labour, contracting and materials. Cable for
19 example, saw substantial inflationary cost increases between the original high-level
20 budget preparation (2018) and the detailed design estimates (2021 for Bunting M81,
21 2022 for South Mountain Feeders). Scope changes between high level budget and
22 detailed design driven primarily by the inability to add circuits to overhead pole lines.
23 These requirements increased the underground scope of the projects. In the case of
24 the South Mountain Feeder project, this had a substantial impact on scope since the
25 new cable could not be connected in parallel with existing PILC lead cable feeders
26 and the existing feeder also needed to be replaced.
- 27 - Changes during construction from the point of detailed design were relatively minor
28 compared to differences between high level budget costing and detailed design (3%
29 of detailed design estimated cost for South Mountain Feeder project which ultimately
30 came in at an actual cost less than the detailed estimated cost; 10% of the detailed
31 design estimated cost for the Bunting M81 Feeder Extension project)

1 - Throughout the budget refinement process that occurred between the initial high level
2 budget preparation in 2018 for the 2020-2024 DSP and the completion of detailed
3 designs in 2021 and 2022, multiple estimate refinements took place and each went
4 through the C55 review and approval process, informed by the value framework and
5 Alectra's project optimization process. The detailed design estimates were also
6 reviewed and approved in accordance with Alectra's internal project review process.
7 During the execution phase of the projects, Alectra's Request for Change (RFC)
8 process was followed to ensure proper cost control and governance.

JT-1.21

Attachment 1
South Mountain Feeder Project Close Out

PROJECT VARIANCE ANALYSIS

Project Details

| | |
|------------------|------------------------|
| Project ID | 639039 |
| Project Name | South Mountain Feeders |
| Design Tech | Anderson, Dean |
| Lines Supervisor | Carr, Brad |

Cost Breakdown (Budget to Design)

| | |
|-------------------------------------|-------------|
| Project Budget (Initial High-Level) | \$2,200,000 |
| Project Estimate (Detailed) | \$8,444,813 |
| Difference | \$6,244,813 |
| % Difference | 284% |

*Cost line information is not available to compare budget vs final design estimate at a cost type level (e.g., materials, labour, etc.)

Summary of changes between initial budget cost and detailed estimate cost

Several changes impacted the project cost between high-level budgeting and detailed estimate:

- Budget cost was produced using high level unit costs for poles, cable, civil work, versus detailed design costs considering exact framing, placement, accessories, submitted civil contractor estimates, etc.
- Initial budgeted project included a shorter feeder run with less overhead work (37 poles) and a single 300A feeder from Horning TS to Garth St/Rymal (4.2km EPR 500MCM CU Cable) with the existing twin 300A PILC feeder being reused. The final design included 52 poles and a new 300A feeder plus replacement of the existing 300A feeder, combining into a new 600A feeder part way through the project. The 600A feeder extended farther into the area requiring relief (to Upper James St) (10.1k, of EPR 500MCM CU Cable and 4.1km of 1000 kcmil AL Cable). The existing 300A PILC feeder was also required to be replaced due to impedance mismatch with the twinned 500MCM EPR 300A feeder. This solution was required as the City of Hamilton would not allow for the civil adjustments needed to run 1000 kcmil AL Cable directly from the station and the pole line at Guelph/Rymal would have required a full rebuild to add additional feeders.
- The original budget was prepared in 2018, while the detailed design was completed in late 2022. Over this time period there were significant increases in materials costs due to supply chain shortages and other inflationary effects. As an example, at time of original budget the material cost for 500MCM Cu cable was approximately \$110/m, while in 2022 the cost at detailed design was \$166.30/m.
- During each iteration of the project plan from original budget to final approved design, the plan was recosted and reviewed four times using the C55 review and approval workflow to ensure application of the value framework, governance and cost control. The final design was estimated within the final approved budget and reviewed for approval prior to construction.

Cost Breakdown (Design to Construction)

| | |
|-----------------------------|-------------|
| Project Estimate (Detailed) | \$8,444,813 |
| RFCs | \$225,435 |
| Actual Cost | \$8,386,990 |
| Difference | (\$283,257) |
| % Difference | -1% |

*Some charges occurred post 2024 but before project closure resulting in difference between \$8.2M reported in 2020-2024 DSP and \$8.39M at project closure

| Row Labels | Planned Total | Actual | Difference | % Difference | Total Difference |
|------------------|---------------------|---------------------|------------|--------------|------------------|
| Labour | \$ 1,439,375 | \$ 529,609 | (909,766) | -63% | (600,903) |
| Labour Burdens | \$ 1,960 | \$ 310,823 | 308,863 | 15756% | |
| Material | \$ 3,221,710 | \$ 3,193,166 | (28,544) | -1% | 155,330 |
| Material Burdens | \$ 211,644 | \$ 403,283 | 191,639 | 91% | |
| RFC | \$ 7,766 | | | | |
| Tools/Vehicle | \$ 150,565 | \$ 106,900 | (43,665) | -29% | (43,942) |
| RFC | \$ 276 | | | | |
| DIRM | \$ - | \$ - | - | - | - |
| External | \$ 3,362,648 | \$ 3,380,207 | 17,559 | -6% | (6,387) |
| External Burdens | \$ 30,363 | \$ 250,356 | 219,993 | 725% | |
| RFC | \$ 243,939 | | | | |
| Other | \$ 26,547 | \$ 131,935 | 105,388 | | 131,935 |
| RFC | \$ (26,547) | | | | |
| Finance Interest | \$ - | \$ 80,711 | 80,711 | | 80,711 |
| Total | \$ 8,670,247 | \$ 8,386,990 | | | (283,257) |

Summary of RFC costs during construction phase

Overall this project had 17 submitted request for changes that included:

- updates in material standards after design issuance for additional splices; drawing updates to not use direct buried UG splices for some connections
- control room rescheduling
- additional hydro vac required to expose/extend ducts, chip back to allow proper entrance, break&ties, ties into existing ducts, work around tree roots, daylight unlocated ducts and utilities to route ducts safely along running line underneath existing road crossing, additional anchor installed due to pole removal and duct structure
- loss of productivity due to gas and storm pipes not originally on locates, repairs
- additional time due to traffic congestion for work during approved working time
- additional time required to open up drilling pits, daylighting for directional billing to accelerate progress with tie-ins to minimize traffic obstructions
- removed 5x sidewalk bays due to site conditions, additional excavation to break into existing structure and to new pole, added split duct to protect wire and installed new concrete with additional B&T
- proposed change from directional bore to open cut for duct installation due to resource availability and project urgency. PVC was installed via opencut and encased in concrete
- reduction RFC's due to portions of the project being completed under estimate
- During the construction process, Alectra's RFC process was followed to estimate, review and approve any changes to project cost and scope and ensure appropriate governance and cost control.

JT-1.21

**Attachment 2
Extend Bunting M81 Feeder
Project Close Out**

PROJECT VARIANCE ANALYSIS

Project Details

| | |
|------------------|-----------------|
| Project ID | 634287 |
| Project Name | BUM81 Extension |
| Design Tech | Karan, Andjelo |
| Lines Supervisor | Carr, Brad |

Cost Breakdown (Budget to Design)

| | |
|---------------------------------------|-------------|
| Project Budget (Initial High-Level) | \$3,100,000 |
| Project Estimate (Detailed, Pre-RFCs) | \$4,502,479 |
| Difference | \$1,402,479 |
| % Difference | 45% |

*Cost line information is not available to compare budget vs final design estimate at a cost type level (e.g., materials, labour, etc.)

Summary of changes between initial budget cost and detailed estimate cost

Several changes impacted the project cost between high-level budgeting and detailed estimate:

- Budget cost was produced using high level unit costs for poles, cable, civil work, versus detailed design costs considering exact framing, placement, accessories, submitted civil contractor estimates, etc.
- Initial budgeted project was an overhead project (145 poles) and included some civil work but no underground cabling. The final design included 103 poles and a significant underground portion along Welland Ave including 2.8km of 1000 kcmil AL Cable. This necessitated more civil work to accommodate. For example, the high level budget cost included \$0.35M of civil construction, but the detailed estimate required \$0.77M of civil construction.
- The original budget was prepared in 2018, while the detailed design was completed in late 2021. Over this time period there were inflationary increases in labour, materials and subcontracting costs.
- During each iteration of the project plan from original budget to final approved design, the plan was recosted and reviewed three times using the C55 review and approval workflow to ensure application of the value framework, governance and cost control. The final design was estimated within the final approved budget and reviewed for approval prior to construction.

Cost Breakdown (Design to Construction)

| | |
|------------------|-------------|
| Project Estimate | \$4,502,479 |
| RFCs | \$468,635 |
| Actual Cost | \$5,207,054 |
| Difference | \$235,940 |
| % Difference | 16% |

| Row Labels | Planned Total | Actual | Difference | % Difference | Total Difference |
|------------------|---------------------|---------------------|------------|--------------|------------------|
| Labour | \$ 238,586 | \$ 324,430 | 66,903 | 26% | |
| Labour Burdens | \$ - | \$ 14,785 | 14,785 | | |
| RFC | \$ 18,941 | | | | 81,687 |
| Material | \$ 1,073,665 | \$ 1,329,039 | 255,374 | 24% | |
| Material Burdens | \$ - | \$ 120,835 | 120,835 | | 376,209 |
| Tools/Vehicle | \$ 10,057 | \$ 23,861 | 12,444 | 109% | |
| RFC | \$ 1,360 | | | | 12,444 |
| DIRM | \$ - | \$ 726 | 726 | | 726 |
| External | \$ 3,180,171 | \$ 3,083,611 | (544,895) | -15% | |
| External Burdens | \$ - | \$ 259,796 | 259,796 | | |
| RFC | \$ 448,334 | | | | (285,098) |
| Other | \$ - | \$ 22,010 | 22,010 | | 22,010 |
| Finance Interest | \$ - | \$ 27,961 | 27,961 | | 27,961 |
| Total | \$ 4,971,114 | \$ 5,207,054 | | | 235,940 |

Summary of RFC costs

Overall this project had 13 submitted request for changes that included:

- additional material construction staging due to quality issues with transformers, pole delivery scheduling;
- increase in hydrovac costs for daylighting, site issues, pole relocations not on original estimate due to underground third-party conflicts
- due to pole relocations required, there were additional excavation costs, new splice boxes/cables required
- additional sidewalk cuts/replacements
- additional work to break out Bell structure around pole bases
- additional labour and equipment such as compressors to jackhammer concrete secondary ducts
- additional labour and equipment required to lower conductors without breaking old rotten poles
- increase in duct runs due to field conditions
- additional mini-padmout installations to bring up to standard
- Overall additional coordination required beyond original estimate for subcontractors, control room outage/switching scheduling, generator issues, over 450 customers outage scheduling, inclusive of commercial customers. Some requested the work to be done after-hours to minimize impact to customers
- During the construction process, Alectra's RFC process was followed to estimate, review and approve any changes to project cost and scope and ensure appropriate governance and cost control.

**TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO
CONSUMERS COUNCIL OF CANADA**

JT-1.22

Reference: 2A-SEC-63, page 22; 4-CCC-50, page 4, parts E & F; Exhibit 4, Tab 2, Schedule 9, page 9

Provide a spreadsheet or calculation that shows the granular approach taken in regards to shift schedules across various rate zones for various years.

RESPONSE:

Table 1 provides the ratio of crews supported per operator for 2025-2031.

Table 1 – Crews Ratio

| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | |
|------------------------------------|------|------|------|------|------|------|------|-----------|
| Total # of Crews | 94 | 87 | 102 | 90 | 114 | 139 | 136 | (A) |
| Required FTE | 53 | 58 | 63 | 63 | 70 | 77 | 77 | (B) |
| Ratio crews supported per operator | 1.8 | 1.5 | 1.6 | 1.4 | 1.6 | 1.8 | 1.8 | (A) / (B) |

The System Control shift schedules are not required to explain this ratio. As demonstrated in Table 1, the ratio decreases temporarily and is expected to return to 1.8 by 2030.

Exhibit 4, Tab 2, Schedule 9, Chart 4-2-8 illustrates how the number of operators increases from 2025 to 2031 compared to the number of crews supported. As illustrated in this chart, the increase in System Control Operators is relatively linear whereas the increase in crews supported is non-linear.

The supply of System Control resources is inelastic and these resources require significant training to become fully qualified. The System Control Operator apprenticeship program includes four years of training and 8000 hours of work in the System Control room to become qualified. Given the long lead times to train and qualify these resources, it is not possible I

- 1 to adjust System Control Resources annually to match short-term changes in the number of
- 2 crews supported.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
 2 **ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO**

3
 4 **JT-1.23**

5
 6 Reference: 1-AMPCO-3 Table 1

7
 8 Provide the budget and actual that make up the values from 2020 to 2024 for Table P-2 in
 9 Appendix P.

10
 11 **RESPONSE:**

12
 13 Annual actual and target planned capital for the 2020 to 2024 years are provided below in
 14 Table 1. This table corresponds with the outcomes provided in the “Cost Control – Planned
 15 Capital” performance measure Table P-2 in Appendix P. Alectra Utilities defines Planned
 16 Capital as System Renewal and System Service investments excluding Reactive Capital.

17
 18 **Table 1 - Planned Capital Actual vs. Target (2020-2024 DSP Budget)**

| Planned Capital (\$MM) | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Actual | 139.9 | 138.1 | 124.2 | 149.0 | 156.4 |
| Target | 158.0 | 159.6 | 170.3 | 178.5 | 194.2 |
| Achieved | 88.5% | 86.5% | 72.9% | 83.5% | 80.5% |

19
 20 Furthermore, Alectra Utilities based the Target for the Cost-Control performance metric on
 21 the proposed 2020-2024 DSP investment plan. Alectra Utilities was hindered in completing
 22 the planned capital work by two factors: Alectra Utilities did not receive the requested funding,
 23 as proposed when the 2020-2024 DSP was filed, to complete all proposed capital work, and
 24 Alectra Utilities was impacted by the COVID-19 global pandemic, which affected global
 25 supply chains over this period.¹

¹ Exhibit 2, Tab 1, Schedule 1, Appendix P, Page 3

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO**

3
4 **JT-1.24**

5
6 Reference: 2-AMPCO-21, part C

7
8 Explain why 195,600 was used for labour hours, and advise why the labour hours are the
9 same every year in regards to 2-AMPCO-21 part c, and comment on what changes there
10 were between iteration 1 and 6.

11
12 **RESPONSE:**

13
14 Alectra Utilities applies a minimum labour hours constraint in capital portfolio optimization to
15 ensure the optimizer balances workload across the portfolio and does not cluster labour-
16 intensive capital work into a single year. An optimized capital portfolio with a balanced
17 workload enables a productive workforce and mitigates the edge case of clustering work into
18 one year at the expense of no work in another year.

19
20 The annual minimum labour constraint of 195,600 hours is 80% of the hours of work available
21 for capital projects for the Lines construction crews in 2024. While it appeared from the
22 exchange leading up to this undertaking that AMPCO may have been under the impression
23 that the 195,600 hours reflected all resources for the entire capital plan, Alectra clarifies that
24 this labour hour constraint is only in respect of a subset of Alectra Utilities resources, Lines
25 construction. Alectra used the number of hours reflecting 80% of the hours of work available
26 for capital projects for the Lines construction crews in 2024 for two reasons.

27
28 First, to ensure that Alectra Utilities maintains a minimum of 80% crew utilization each year
29 based on the resource level available in 2024, which helps minimize turnover. Second, to
30 enable the optimizer to operate with greater flexibility rather than imposing a limit on the rate
31 of crew expansion.

1 Decisions regarding whether to ramp up internal staffing or to use contractors are made
2 during the work execution planning phase, which is informed by the portfolio outcome of the
3 optimization process. Furthermore, the minimum labour constraint of 195,600 hours is
4 consistent across the capital optimization period to ensure a balanced workload and to
5 prevent clustering labour-intensive capital work into a single year.

6

7 Alectra Utilities develops an optimal capital investment portfolio based on identified needs
8 and business cases. This optimal capital investment portfolio then informs the execution plan,
9 which is then used by Alectra Utilities to develop a resource plan.

10

11 Considering that Alectra Utilities established a lower bound to yield any feasible optimization
12 outcome, the constraints on minimum labour hours for the line construction crew remained
13 unchanged between all iterations.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO**

3
4 **JT-1.25**

5
6 Provide an explanation in relation to 2-AMPCO-26 for what is driving year-over-year
7 variances including the zero percent issue.

8
9 **RESPONSE:**

10 Internal and external % are marked zero if the capital expenditures are zero for any segment
11 in that year.

12 The table provided in response to 2-AMPCO-26 (Table 1) provides the split between internal
13 and external resources on an expenditure basis.

14 The split between internal and external resources may vary year-over-year, primarily due to
15 differences in the type and timing of work executed, as well as internal crew availability. Work
16 may be assigned to internal or external crews, dependent on availability and scheduling
17 across the entire capital portfolio and will change year over year.

18 Additional factors relating to customer timeline demands or urgent requirements throughout
19 any particular year will also contribute to changes in crew assignments between internal or
20 contracted crews.

21 It should also be noted that projects primarily executed by internal crews may still contribute
22 to a portion of the “External %” reported in Table 1, as certain specialized components of the
23 work are performed by external contractors. For example, in overhead rebuild projects,
24 activities such as vacuum excavation of pole holes or adjustments to civil infrastructure
25 associated with pole replacements are typically contracted externally. Accordingly, the mix
26 of internal and external resources reflects operational requirements each year and may
27 fluctuate depending on the composition and timing of capital work.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO**

3
4 **JT-1.26**

5
6 Reference: 2-AMPCO-28; 2-AMPCO-34 Appendix E

7
8 On a best efforts basis, run the asset condition assessment using the same data set as 2023
9 but removing age as an input.

10
11 **RESPONSE:**

12
13 Performing a full re-run of the 2023 asset condition assessment that excludes age as an
14 input variable across all asset classes and health index categories requires significant time
15 and resources. In an effort to be responsive to this request, a best-efforts analysis was
16 conducted to evaluate the impact of removing age as an input for Poles and Transformers,
17 with results presented in Table 1 and Table 2 respectively.

18
19 The ACA models for Alectra Utilities' non-linear assets place heavy emphasis on condition
20 parameters and less on age. However, age remains a useful indicator and a proxy for
21 unobserved conditions. Assets with no lifecycle inspection or testing data, such as newly
22 installed poles and transformers, would receive an 'Unknown' health index if age was
23 removed as an input.

24
25 When both age and condition data are available for a given non-linear asset, age alone
26 cannot result in an asset being placed into either the Poor or Very Poor categorization. In
27 such cases, age can only impact the final health index category by a maximum of one
28 category movement.

29
30 It should be noted that the analysis of age removal as an input does not serve any
31 comparison for station asset classes, and linear assets (e.g., cables and overhead

1 conductors). The former do not factor age in their assessment, and linear assets use age as
 2 primary base input to ACA.

3

4 **Table 1 - 2023 ACA Results With and Without Age for Poles (Wood & Concrete)**

| HI CATEGORY | 2023 COUNT WITH AGE | 2023 COUNT WITHOUT AGE |
|--------------------|---------------------|------------------------|
| VERY POOR and POOR | 10,277 | 9,477 |
| FAIR | 7,489 | 4,155 |
| GOOD and VERY GOOD | 116,606 | 107,937 |
| UNKNOWN | | 12,803 |
| TOTAL | 134,372 | 134,372 |

5

6 **Table 2 - 2023 ACA Results With and Without Age for Transformers (All Types)**

| HI CATEGORY | 2023 COUNT WITH AGE | 2023 COUNT WITHOUT AGE |
|--------------------|---------------------|------------------------|
| VERY POOR and POOR | 9,454 | 8,235 |
| FAIR | 4,966 | 4,348 |
| GOOD and VERY GOOD | 113,942 | 102,742 |
| UNKNOWN | | 13,037 |
| TOTAL | 128,362 | 128,362 |

7

8 As noted in the tables above, removing age as an input results in a slight decrease in the
 9 known Very Poor and Poor population of poles and transformers. Nevertheless, the total Very
 10 Poor and Poor population under both the default and age-removed scenarios remains higher
 11 than the planned renewal targets of 5,256 poles and 4,771 transformers respectively for the
 12 DSP period (Ex 2A, Tab 1, Sch 1, Table 5.2.3 – 1, DSP Performance Measures).

13

14 **Note on Reduction in Fair Poles in Table 1:**

15 When age is removed as an input in the Poles ACA, the Fair population decreases notably
 16 by 3,334 poles. This reduction is largely attributable to poles shifting out of the Fair category
 17 into other categories, such as Good or Unknown. The average age of this subset is 68.3
 18 years for wood poles and 61.3 years for concrete poles, both of which exceed the typical

1 end-of-useful-life thresholds (utilized for ACA) of 45 and 60 years respectively. This is
2 intuitive, as significantly older poles with only marginal observed deterioration are reclassified
3 into other condition categories when age is no longer considered as a factor.

4

5 It should also be noted that the majority of the wood poles are strength Class 3, 4, and 5,
6 these are two to three strength classes lower than what is required under current standards.
7 Both the pole strength and the average age being higher than the TUL is why age is included
8 to assist with distinguishing them from other assets.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO**

3
4 **JT-1.27**

5
6 Reference: 2-AMPCO-39

7
8 Provide the number of stations remaining in service that are for a 4kV by the end of 2031.

9
10 **RESPONSE:**

11
12 Alectra Utilities considers both 4kV and 8kV as low-voltage distribution systems candidates
13 for voltage conversion to the present-day standard 13.8kV or 27.6kV distribution. Upon
14 completion of the voltage conversion projects proposed in the 2027-2031 DSP, Alectra
15 Utilities will eliminate 8 low-voltage stations from the system.

16
17 At the end of 2031, Alectra Utilities will have 65 other low-voltage stations remaining in
18 service.

19
20 Alectra Utilities has carefully considered the ideal time to convert low-voltage distribution
21 systems to present-day standards and avoid costly low-voltage station renewal. Deferral of
22 voltage conversion projects significantly increases the risk of station failure and expensive
23 station renewal.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO**

3
4 **JT-1.28**

5
6 Reference: 4-AMPCO-64, part C

7
8 Provide the aggregate dollar amount that equates to the overrun related to the 1,617 projects
9 in 4-AMPCO-64.

10
11 **RESPONSE:**

12
13 The table in 4-AMPCO-64, part C (Table 1), indicates 1,617 projects were delivered with a
14 Cost Performance Index (CPI) greater than 10% and planned cost greater than \$100,000.
15 The undertaking is to provide the overspend amount related to these projects, but CPI
16 includes both overspend and underspend in excess of 10%.

17
18 Of the 1,617 projects that met the threshold criteria, 525 were overspent by 10% or more
19 with an aggregate overspend of \$76.3M.

20
21 Of the 1,617 projects, 1,092 were underspent by 10% or more with an aggregate underspend
22 of (\$148.0M).

23
24 The net impact to gross capital expenditures of the 1,617 projects that met the threshold is
25 (\$71.67M) underspent.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO**

3
4 **JT-1.29**

5
6 Reference: 4-AMPCO-64 part b

7
8 Provide a response on how the SPI is calculated.

9
10 **RESPONSE:**

11
12 As noted in response to 4-AMPCO-64 part b, the Schedule Performance Index (SPI) is the
13 percentage of projects which were completed within 90 days before or after the anticipated
14 finished date.

15
16 To calculate the SPI, Alectra identifies the difference in days between the anticipated finish
17 date and actual finish date of each capital project. The SPI is equal to the number of projects
18 for the year where the absolute difference between anticipated and actual finish date is less
19 than 90 days, divided by the total number of projects for that year.

20
21 Table 1 in 4-AMPCO-64 part c includes the number of projects that were delivered late but
22 within 90 days of planned finish. The SPI metric includes projects that were finished early
23 and late (with an absolute difference between anticipated and actual finish date being less
24 than 90 days). The SPI metric cannot be directly reproduced from information provided in
25 Table 1 in 4-AMPCO-64 part c .

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **COALITION OF CONCERNED MANUFACTURERS AND BUSINESSES OF CANADA**

3
4 **JT-1.30**

5
6 Advise what peer group is referenced in the response at 4-CCMBC-3 and advise whether
7 Alectra decided consciously to spend less or whether they are being constrained from
8 spending more on OM&A because they did not have enough money.

9
10 **RESPONSE:**

11
12 The peer group referenced in the response to 4-CCMBC-3 is the same as referenced in
13 Exhibit 4, Tab 1, Schedule 2, pg. 1 (i.e. Elexicon, Enova Power, GrandBridge, Hydro One,
14 Hydro Ottawa, London Hydro, Toronto Hydro).

15
16 Alectra's OM&A expenditures as OM&A (\$) per Customer as well as the peer group average
17 is provided in Table 4-1-8 at Exhibit 4, Tab 1, Schedule 5, pg. 2 and has been reproduced
18 below (please note, 2025 actual results are not yet publicly available for Alectra's peer
19 group):

20
21 **Table 1 - OM&A (\$) per Customer**

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------|------|------|------|------|------|------|
| Alectra | 252 | 270 | 258 | 269 | 266 | 269 |
| Peer Group Average | 279 | 293 | 297 | 315 | 326 | 342 |

22
23 In regard to CCMBC's question as to why Alectra spent the amount that it did on OM&A in
24 the historical period, Alectra's OM&A expenditures are based on prudent evaluation of
25 business needs. Approved funding levels in rates and operational needs are considered
26 when prioritizing resources.

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**TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO
 POWER WORKERS' UNION**

JT-1.31

Reference: 3.1-PWU-1A

Provide a table showing the comparison between the amounts requested by way of ICM applications in each of the five proceedings versus what was approved.

RESPONSE:

Alectra Utilities provides Table 1, which lists the amounts requested and approved in previous ICM applications, as well as the M-Factor application seeking incremental capital funding.

Table 1 – Alectra Utilities ICM and M-Factor Applications (2018-2024)

| Application | Period | Applied (\$MM) | Approved (\$MM) |
|-----------------------------------|---------------|-----------------------|------------------------|
| ICM Application EB-2017-0024 | 2018 | 56.2 | 28.7 |
| ICM Application EB-2018-0016 | 2019 | 31.6 | 26.3 |
| M-Factor Application EB-2019-0018 | 2020-2024 | 265.0 | 0.0 |
| ICM Application EB-2020-0002 | 2021 | 10.7 | 10.7 |
| ICM Application EB-2022-0013 | 2023 | 25.4 | 18.0 |
| ICM Application EB-2023-0004 | 2024 | 25.1 | 17.3 |
| Total | | 414.0 | 101.0 |

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **POWER WORKERS' UNION**

3
4 **JT-1.32**

5
6 Reference: 3.1-PWU-1A

7
8 On a best-efforts basis, provide information on the numerical and narrative impacts of
9 deferred capital investment on the business.

10
11 **RESPONSE:**

12
13 As noted in JT-1.31, Alectra Utilities identified \$414MM of needs (requiring incremental
14 funding) and received \$101MM of funding. This funding was particularly helpful to address
15 certain needs, but did leave \$313MM of persisting system needs unfunded. Notably, the
16 quantum of these needs is presented here in a manner that is consistent with the previous
17 filings and has not been escalated to account for inflation over the past 5 years; for example,
18 Alectra Utilities experienced material inflation in the range of 60% to 75% over 4 years– see
19 Exhibit 2A-1-1, Appendix B01 at page 11 and B02 at page 76. Furthermore, these needs do
20 not represent an exhaustive set of needs.

21
22 The impact of deferring capital is broad and affects Alectra Utilities' vast distribution system,
23 and the service provided to customers in a variety of ways. The following illustrates some of
24 the more notable impacts:

- 25 • Increased Asset Backlog: A 49% increase in deteriorated assets (Poor & Very Poor)
26 has been observed over the period (Exhibit 2A-1-1, page 8, Figure 5.2.1 – 1), which
27 elevates reliability and safety risks, and renewal requirements generally.
28 • Doubling of Reactive Capital: More than doubling of Reactive Capital from \$22.5MM
29 (2020) to \$54.4MM (2025 actuals), which leads to inefficiencies, multiple trips to
30 renew assets, power interruptions for customers, while still not addressing renewal
31 needs effectively in a holistic manner.

- 1 • Doubling of safety incidents: Doubling of Serious Electrical Incidents (Exhibit 2A-1-1,
2 page 9, Figure 5.2.1 – 4), which, if allowed to trend in this manner, will ultimately lead
3 to unacceptable and potentially catastrophic safety consequences.
- 4 • Hotspots of poor performance: Accelerated deterioration that cannot be addressed
5 through reactive work, leading to repeated and escalating failures, and a subset of
6 customers that experience particularly poor service. Examples of this are provided in
7 the Underground Renewal investment narrative (Exhibit 2A-1-1, Appendix B02, at
8 pages 68-69).
- 9
- 10 Alectra Utilities produced business cases representing over \$5B in justified investment needs
11 (JT-1.6) and is proposing a capital plan to address \$3.1B of those needs. The proposed plan
12 is optimized to deliver value as a cohesive plan, and its execution in totality would address
13 the impacts noted above, including tackling the asset backlog, reducing reliability risks, and
14 the growing dependence on reactive expenditures.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **ONTARIO ASSOCIATION OF PHYSICAL PLANT ADMINISTRATORS**

3
4 **JT-1.33**

5
6 Reference: 2A-EP-8 question C; 2A, Tab 1, Schedule 1, 5.2.1, page 19

7
8 Reconcile the difference in the number of DERs reported in 2A-EP-8 question c and those
9 reported in the DSP, 2A, Tab 1, Schedule 1, 5.2.1, page 19.

10
11 **RESPONSE:**

12
13 Alectra notes an error in the response to Interrogatory 2A-EP-8 (c). There was a typo in the
14 number of DER connections at the end of 2025. The total number of DERs connected to the
15 Alectra system at the end of 2025 was 6,984, and not 6,894.

16
17 Alectra further stated in the IR response that by the end of 2031, Alectra Utilities forecasts
18 that there will be 9,569 connected DERs across its service territory. This forecast number is
19 correct.

20
21 In Exhibit 2A, Tab 1, Schedule 1, Section 5.2.1 of the DSP Overview, Alectra stated on line
22 19 that by the end of 2031 there would be 9,161 DERs connected to its system. This number
23 is incorrect and arose due to a calculation error when this section was being prepared. As
24 stated above, Alectra forecasts that there will be 9,569 DERs connected to its system by the
25 end of 2031.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **BUILDING OWNERS AND MANAGERS ASSOCIATION**

3
4 **JT-1.34**

5
6 Reference: 2A-SEC-26 (Table 1), Exhibit 2A, Tab 1, Schedule 1 (page 91, Table 5.3.1),
7 Exhibit 2A, Tab 2, Schedule 1, Appendix J (Figures 22-23, Figure 12) Transportation
8 electrification (not building electrification) was confirmed as the primary driver in the capital
9 plan.

10
11 Provide, if available, a comparison of the CDM impacts included in the non coincidental
12 system peak forecast and those included in the charge determined forecast, including the
13 magnitude of the impacts.

14
15 **RESPONSE:**

16
17 Please see 2.0-VECC-13(a) and (d) for the CDM impact included in the non-coincidental
18 system peak forecast.

19
20 CDM impacts included in the rate-setting forecast

21 As described in Appendix 3-2, Exhibit 3, Tab 1, Schedule 5, and in response to interrogatory
22 3-Staff-161, historical and future CDM impacts are inherently reflected in the load data.
23 Historical sales trends are lower than they would be without CDM, which forms the basis for
24 estimating the forecasting models. Because historical sales already reflect appliance
25 efficiency improvements, building code changes, customer behavioral conservation, etc., the
26 estimated regression coefficients inherently capture the cumulative effect of energy efficiency
27 and conservation activities (re: persistence).

28
29 Future CDM activities are captured in the models by way of an efficiency improvements proxy
30 (re: end-use intensity trends) via the constructed model variables. End-use efficiencies are
31 updated as part of the U.S. Energy Administration Information annual forecast process, with
32 updates based on the most recent appliance shipment data. Improvements in stock efficiency

1 reflect both new appliance efficiency standards and energy efficiency programs that have an
2 impact on consumer behavior, encouraging the adoption of more efficient end-uses. This
3 process, combined with historical load trends, adequately captures CDM in the forecast
4 period without requiring a discrete CDM adjustment. Introducing an additional, explicit CDM
5 savings adjustment on top of the efficiencies embedded in the constructed model variables
6 would risk double-counting conservation effects, particularly where historical CDM activity
7 has already shaped the baseline load trend.

8

9 Given the long history of CDM, it is nearly impossible to isolate and quantify the impact of
10 CDM from that of the load forecast models for rate-setting purposes. Historical load data
11 reflects the net outcome of many simultaneous influences, including conservation. Future
12 energy efficiency improvements (re: future CDM) occur concurrently with other long-term
13 structural changes, including appliance replacement cycles, tightening building codes,
14 electrification and technology substitution, consumer behavior, changes in dwelling size, and
15 occupancy patterns, among other drivers. Because these drivers move together, it is nearly
16 impossible to isolate the impact of CDM from other factors without imposing external
17 assumptions that are not observable or testable in the data.

1 **TECHNICAL CONFERENCE UNDERTAKING RESPONSES TO**
2 **BUILDING OWNERS AND MANAGERS ASSOCIATION**

3

4 **JT-1.35**

5

6 Reference: 2A-BOMA-1, Exhibit 2A, Tab 2, Schedule 1, Appendix J (Figures 19, 23)

7

8 Advise how the impact of the data centre, AI, and cloud computing load in the charge
9 determined forecast compares with the 425 megawatt impact as listed in the planning
10 forecast.

11

12 **RESPONSE:**

13

14 Based on its approach for the inclusion of forecasted data centre loads into the rate-setting
15 forecast, as described in response to 3-SEC-75 (b), Alectra Utilities proposes to include 109
16 MW out of 425 MW data centre forecasted capacity by 2031. Forecasted MW capacity is
17 further converted to average billed demand for rate-setting purposes, based on the phased
18 load growth assumptions described in the same response.