

**EXHIBIT 6 – REVENUE REQUIREMENT,  
SUFFICIENCY/DEFICIENCY**

**2027 Cost of Service**

Rideau St-Lawrence Distribution Inc.  
EB-2026-0069

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## 6.1 PROPOSED REVENUE REQUIREMENT

The 2027 Test Year base revenue requirement is \$4,959,191, as calculated in the OEB's Revenue Requirement Work Form (RRWF).

Table 1 presents the proposed revenue requirement and associated utility income.

**Table 1 - Test Year Revenue Requirement (RRWF Model Tab 9)**

2027 Revenue Requirement (RRWF Model Tab 9)		Utility Income (RRWF Model Tab 5)	
Particulars	Initial Application	Particulars	Initial Application
<b>OM&amp;A Expenses</b>	\$3,718,936	<b><u>Operating Revenues:</u></b>	
<b>Amortization/Depreciation</b>	\$685,012	Distribution Revenue (at Proposed Rates)	\$4,959,191
<b>Property Taxes</b>	\$34,377	Other Revenue	\$400,306
<b>Capital Taxes</b>	\$ -		\$5,359,497
<b>Income Taxes (Grossed up)</b>	\$ -	Total Operating Revenues	
<b>Other Expenses</b>	\$ -		
<b>Return</b>		<b><u>Operating Expenses:</u></b>	
<b>Deemed Interest Expense</b>	\$354,688	OM+A Expenses	\$3,718,936
<b>Return on Deemed Equity</b>	\$566,485	Depreciation/Amortization	\$685,012
		Property taxes	\$34,377
<b>Service Revenue Requirement (before Revenues)</b>	\$5,359,497	Capital taxes	\$ -
		Other expense	\$ -
<b>Revenue Offsets</b>	\$400,306		\$4,438,324
<b>Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)</b>	\$4,959,191	Subtotal (lines 4 to 8)	
		Deemed Interest Expense	\$354,688
<b>Distribution revenue</b>	\$4,959,191		
<b>Other revenue</b>	\$400,306	Total Expenses (lines 9 to 10)	\$4,793,013
<b>Total revenue</b>	\$5,359,497	<b>Utility income before income taxes</b>	\$566,485
		Income taxes (grossed-up)	
			\$566,485

RSL confirms that the RRWF accurately reflects its proposed 2027 Test Year revenue requirement and supporting calculations.

Table 2 presents the capital structure and rate base used to derive the return on capital.

**Table 2 – Statement of Rate Base (RRWF Model Tab 7)**

	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long-term Debt (Notional)	15.03%	\$2,337,062	3.88%	\$90,678
Long-term Debt (Actual)	40.97%	\$6,368,518	3.88%	\$247,097
Short-term Debt	4.00%	\$621,827	2.72%	\$16,914
<b>Total Debt</b>	<b>60.00%</b>	<b>\$9,327,407</b>	<b>3.80%</b>	<b>\$354,688</b>
<b>Equity</b>				
Common Equity	40.00%	\$6,218,271	9.11%	\$566,485
Preferred Shares	0.00%	\$ -	0.00%	\$ -
<b>Total Equity</b>	<b>40.00%</b>	<b>\$6,218,271</b>	<b>9.11%</b>	<b>\$566,485</b>
<b>Total</b>	<b>100.00%</b>	<b>\$15,545,678</b>	<b>5.93%</b>	<b>\$921,173</b>

## 6.1.1 Trend Analysis and Change from 2022 Cost of Service

Table 3 presents the change in revenue requirement from the 2022 Board-approved cost of service to the proposed 2027 Test Year.

**Table 3 – Change in Revenue Requirement from last COS (2022)**

Item	2022 Amount	Change	2027 Amount	Notes / Drivers
Opening Revenue Requirement (2022 Board Approved)	3,171,602	—	—	As per last CoS decision
OM&A Increase	2,482,412	+1,236,525	3,718,936	Inflation, customer growth, cyber, vegetation management, SCADA, engineering, compensation
Depreciation Expense Increase	405,339	+279,673	685,012	Larger asset base from capital additions 2022–2027
PILS Variance	0	0	0	No PILS impact
Net Power Supply & Controllable Expenses Increase	13,920,524	+5,719,865	19,640,390	Pass-through plus increased purchased power
Rate Base Increase	7,880,877	+7,664,801	15,545,678	Primarily plant additions and higher working capital
Deemed Interest Expense	166,539	+188,150	354,688	Higher rate base and updated capital structure
Deemed Return on Equity	272,994	+293,491	566,485	Higher base and updated ROE
Working Capital Allowance Change	1,044,039	+428,990	1,473,029	Increase in power supply at 7.5%
Revenue Offset / Other	(187,881)	(212,425)	(400,306)	Updated cost allocation, misc. offsets
Total Revenue Requirement Variance	—	<b>+1,787,590</b>	—	2027 RR less 2022 RR
Closing Revenue Requirement (2027 Test Year)	—	—	<b>4,959,191</b>	Reconciles to model

The proposed 2027 base revenue requirement of \$4,959,191 represents an increase of \$1,785,706 relative to the 2022 Board-approved level.

The increase is primarily attributable to growth in OM&A, rate base, and the associated return on capital. OM&A increases are discussed in Exhibit 4. Changes in rate base, including capital additions and working capital, are detailed in Exhibit 2. The resulting impacts on depreciation expense, deemed interest expense, and return on equity are addressed in Exhibit 5.

Table 4 presents the year-over-year trend in revenue requirement components from 2022 through the 2027 Test Year.

**Table 4 - Variance Analysis of Revenue Requirement**

**REVENUE REQUIREMENT VARIANCE ANALYSIS**

Particulars	2022	2022	2023	2024	2025	2026	2027
<b>OM&amp;A Expenses</b>	\$2,482,412	\$2,655,088	\$2,782,902	\$2,948,284	\$3,289,832	\$3,565,006	\$3,718,936
<b>Year over year change (\$)</b>		\$172,676	\$127,815	\$165,382	\$341,547	\$275,175	\$153,930
<b>Year over year change (%)</b>		6.96%	4.81%	5.94%	11.58%	8.36%	4.32%
<b>Depreciation Expense</b>	\$405,339	\$440,448	\$466,644	\$493,405	\$446,771	\$550,971	\$685,012
<b>Year over year change (\$)</b>		\$35,109	\$26,195	\$26,762	-\$46,634	\$104,200	\$134,040
<b>Year over year change (%)</b>		8.66%	5.95%	5.73%	-9.45%	23.32%	24.33%
<b>Property Taxes</b>	\$32,200	\$28,684	\$29,442	\$31,197	\$32,403	\$33,375	\$34,377
<b>Year over year change (\$)</b>		-\$3,516	\$758	\$1,755	\$1,206	\$972	\$1,001
<b>Year over year change (%)</b>		-10.92%	2.64%	5.96%	3.87%	3.00%	3.00%
<b>Total Distribution Expenses</b>	\$2,919,951	\$3,124,221	\$3,278,988	\$3,472,887	\$3,769,006	\$4,149,353	\$4,438,324
<b>Year over year change (\$)</b>		\$204,270	\$154,767	\$193,899	\$296,119	\$380,347	\$288,972
<b>Year over year change (%)</b>		7.00%	4.95%	5.91%	8.53%	10.09%	6.96%
<b>Regulated Return On Capital</b>	\$439,532	\$455,500	\$499,291	\$547,678	\$579,949	\$715,475	\$921,173
<b>Year over year change (\$)</b>		\$15,968	\$43,791	\$48,387	\$32,271	\$135,526	\$205,698
<b>Year over year change (%)</b>		3.63%	9.61%	9.69%	5.89%	23.37%	28.75%
<b>Grossed up PILs</b>	\$0	\$15,845	-\$8,161	-\$61,000	\$16,395	\$16,887	\$0
<b>Year over year change (\$)</b>		\$15,845	-\$24,006	-\$52,839	\$77,395	\$492	-\$16,887
<b>Year over year change (%)</b>		0%	-151.51%	647.46%	-126.88%	3.00%	-100.00%
<b>Service Revenue Requirement</b>	\$3,359,483	\$3,595,566	\$3,770,118	\$3,959,565	\$4,365,350	\$4,881,714	\$5,359,497
<b>Year over year change (\$)</b>		\$236,083	\$174,552	\$189,447	\$405,785	\$516,364	\$477,783
<b>Year over year change (%)</b>		7.03%	4.85%	5.02%	10.25%	11.83%	9.79%
<b>Less: Revenue Offsets</b>	-\$187,881	-\$312,271	-\$365,277	-\$385,160	-\$389,338	-\$376,480	-\$400,306
<b>Year over year change (\$)</b>		-\$124,390	-\$53,005	-\$19,884	-\$4,178	\$12,859	-\$23,826
<b>Year over year change (%)</b>		66.21%	16.97%	5.44%	1.08%	-3.30%	6.33%
<b>Base Revenue Requirement</b>	\$3,171,602	\$3,283,295	\$3,404,841	\$3,574,405	\$3,976,012	\$4,505,235	\$4,959,191
<b>Year over year change (\$)</b>		\$111,693	\$121,547	\$169,563	\$401,607	\$529,223	\$453,957
<b>Year over year change (%)</b>		3.52%	3.70%	4.98%	11.24%	13.31%	10.08%

## 6.2 REVENUE DEFICIENCY OR SURPLUS

### 6.2.1 Calculation of Revenue Deficiency or Sufficiency

SL is in a revenue deficiency position of \$930,706, calculated as the difference between the 2027 Test Year revenue requirement and revenues generated under current rates at the 2027 load forecast.

Table 7 presents projected revenues at current rates, and Table 8 presents projected revenues at proposed rates, both based on the 2027 load forecast. Table 9, reproduced from the Revenue Requirement Work Form (RRWF), summarizes the resulting revenue deficiency. Revenue Deficiency = (current rates @ 2027 load forecast + revenue offsets) – (proposed rates @ 2027 load forecast + revenue offsets)

**Table 5 – Revenues at current rates and 2027 load forecast**

PROJECTED REVENUES AT CURRENT RATES								
Customer Class Name	Variable Distribution Rate	per	Test Year Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance \$'s	Net Variable Revenue
Residential	\$0.0000	kWh	50,042,036	\$0			\$0	\$0
General Service < 50 kW	\$0.0188	kWh	22,686,577	\$426,508			\$0	\$426,508
General Service > 50 to 4999 kW	\$3.5360	kW	121,844	\$430,840	\$0.60	-55,855	-\$33,513	\$397,327
Unmetered Scattered Load	\$0.0285	kWh	638,257	\$18,190			\$0	\$18,190
Sentinel	\$31.5569	kW	152	\$4,809			\$0	\$4,809
Streetlights	\$18.4352	kW	1,621	\$29,880			\$0	\$29,880
<b>Total Variable Revenue</b>			<b>73,490,487</b>	<b>\$910,227</b>		<b>-55,855</b>	<b>-\$33,513</b>	<b>\$876,714</b>

PROJECTED REVENUES AT CURRENT RATES								
Customer Class Name	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$36.56	5,376	2,358,669	\$0	\$2,358,669	100.00%	0%	59.57%
General Service < 50 kW	\$37.49	742	333,644	\$426,508	\$760,152	43.89%	56.11%	19.20%
General Service > 50 to 4999 kW	\$357.29	66	282,718	\$397,327	\$680,045	41.57%	58.43%	17.17%
Unmetered Scattered Load	\$6.22	60	4,512	\$18,190	\$22,703	19.88%	80.12%	0.57%
Sentinel	\$4.32	69	3,595	\$4,809	\$8,404	42.78%	57.22%	0.21%
Streetlights	\$4.85	1,713	99,722	\$29,880	\$129,603	76.94%	23.06%	3.27%
<b>Total Variable Revenue</b>		<b>8,027</b>	<b>3,082,862</b>	<b>\$876,714</b>	<b>\$3,959,576</b>			

**Table 6 - Revenues at proposed rates and 2027 load forecast**

The revenue sufficiency presented at the next page is an excerpt from the Revenue Requirement Work Form. The drivers for the revenue deficiency are discussed in the next section.

**PROJECTED REVENUES AT PROPOSED RATES**

Customer Class Name	Variable Distribution Rate	per	Test Year Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance \$'s	Net Variable Revenue
Residential	\$0.0000	kWh	50,042,036	\$0			\$0	\$0
General Service < 50 kW	\$0.0258	kWh	22,686,577	\$584,834			\$0	\$584,834
General Service > 50 to 4999 kW	\$4.9529	kW	121,844	\$603,475	\$0.60	-55,855	-\$33,513	\$569,962
Unmetered Scattered Load	\$0.0275	kWh	638,257	\$17,572			\$0	\$17,572
Sentinel	\$103.1801	kW	152	\$15,724			\$0	\$15,724
StreetLights	\$47.1324	kW	1,621	\$76,393			\$0	\$76,393
<b>Total Variable Revenue</b>			<b>73,490,487</b>	<b>\$1,297,999</b>		<b>-55,855</b>	<b>-\$33,513</b>	<b>\$1,264,486</b>

**PROJECTED REVENUES AT PROPOSED RATES**

Customer Class Name	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$45.01	5,376	2,903,640	\$0	\$2,903,640	100.00%		59.35%
GS < 50 kW	\$37.49	742	333,644	\$584,834	\$918,479	36.33%	63.67%	18.77%
GS > 50 to 4999 kW	\$357.29	66	282,718	\$569,962	\$852,680	33.16%	66.84%	17.43%
Unmetered Scattered Load	\$6.01	60	4,359	\$17,572	\$21,931	19.88%	80.12%	0.45%
Sentinel	\$4.32	69	3,595	\$15,724	\$19,319	18.61%	81.39%	0.39%
Streetlights	\$4.85	1,713	99,722	\$76,393	\$176,116	56.62%	43.38%	3.60%
<b>Total Fixed Revenue</b>		<b>8,027</b>	<b>3,627,679</b>	<b>\$1,264,486</b>	<b>\$4,892,165</b>			

**Table 7 - Revenue Deficiency (RRWF Tab 8)**

Particulars	At Current Approved Rates	At Proposed Rates
<b>Revenue Deficiency from Below</b>		\$1,268,828
<b>Distribution Revenue</b>	\$4,026,603	\$3,690,363
<b>Other Operating Revenue</b>	\$400,306	\$400,306
<b>Offsets - net</b>		
<b>Total Revenue</b>	\$4,426,909	\$5,359,497
<b>Operating Expenses</b>	\$4,438,324	\$4,438,324
<b>Deemed Interest Expense</b>	\$354,688	\$354,688
<b>Total Cost and Expenses</b>	\$4,793,013	\$4,793,013
<b>Utility Income Before Income Taxes</b>	(\$366,104)	\$566,485
<b>Tax Adjustments to Accounting Income per 2013 PILs model</b>	(\$619,053)	(\$619,053)
<b>Taxable Income</b>	(\$985,157)	(\$52,569)
<b>Income Tax Rate</b>	26.50%	26.50%
<b>Income Tax on Taxable Income</b>	\$ -	\$ -
<b>Income Tax Credits</b>	\$ -	\$ -
<b>Utility Net Income</b>	(\$366,104)	\$566,485
<b>Utility Rate Base</b>	\$15,545,678	\$15,545,678
<b>Deemed Equity Portion of Rate Base</b>	\$6,218,271	\$6,218,271
<b>Income/(Equity Portion of Rate Base)</b>	-5.89%	9.11%
<b>Target Return - Equity on Rate Base</b>	9.11%	9.11%
<b>Deficiency/Sufficiency in Return on Equity</b>	-15.00%	0.00%
<b>Indicated Rate of Return</b>	-0.07%	5.93%
<b>Requested Rate of Return on Rate Base</b>	5.93%	5.93%
<b>Deficiency/Sufficiency in Rate of Return</b>	-6.00%	0.00%
<b>Target Return on Equity</b>	\$566,485	\$566,485
<b>Revenue Deficiency/(Sufficiency)</b>	\$932,588	\$ -
<b>Gross Revenue</b>	\$1,268,828	(1)
<b>Deficiency/(Sufficiency)</b>		

## 6.2.2 Causes of Revenue Deficiency

The revenue deficiency of \$932,588 reflects the increase in the 2027 Test Year revenue requirement relative to revenues generated under current rates at the forecast load. The primary drivers of this deficiency are increases in OM&A, rate base, and the associated return on capital.

OM&A increases are driven by factors discussed in Exhibit 4, including inflationary pressures, expanded vegetation management, and additional system and operational requirements. Growth in rate base, as detailed in Exhibit 2, results in higher depreciation expense and increases in interest expense and return on equity, as outlined in Exhibit 5. The working capital allowance also increases in line with higher operating and power supply costs.

These increases are partially offset by higher revenue offsets and the revenues generated at current rates under the 2027 load forecast (Exhibit 3). However, these offsets are not sufficient to fully mitigate the increase in costs, resulting in the net revenue deficiency.

Table 8 summarizes the contribution of each driver to the revenue deficiency and provides references to the supporting evidence.

**Table 8 – Drivers of Deficiency**

<b>Driver</b>	<b>Amount (\$)</b>	<b>% of Deficiency</b>	<b>Direction</b>	<b>Evidence Reference</b>
<b>OM&amp;A Increase</b>	1,236,525	132.6%	Increase	Ex. 4 – OM&A Programs
<b>Depreciation Expense</b>	279,673	30.0%	Increase	Ex. 2 – Rate Base
<b>Deemed Return on Equity</b>	293,491	31.5%	Increase	Ex. 6 – Cost of Capital
<b>Deemed Interest Expense</b>	188,150	20.2%	Increase	Ex. 6 – Cost of Capital
<b>Working Capital Allowance</b>	428,990	46.0%	Increase	Ex. 2 – Rate Base
<b>Revenue Offset / Other</b>	(212,425)	(22.8%)	Decrease	Ex. 3 – Other Revenue
<b>Subtotal (Cost Drivers)</b>	2,214,404	—	—	—
<b>Load / Revenue at Current Rates (incl. 2026 rates impact)</b>	(1,281,816)	(137.5%)	Offset	Ex. 3 – Load Forecast
<b>Revenue Deficiency (Net)</b>	932,588	100%	—	Ex. 1

## **6.3 TAXES & PAYMENTS IN-LIEU OF TAXES (PILS)**

RSL has used the OEB's PILs Tax Work Form to calculate taxes for inclusion in its 2027 Test Year revenue requirement. The PILs model has been prepared in accordance with MIFRS and applicable tax legislation.

The PILs model has been reviewed by RSL's external auditor to confirm that current tax rates have been applied, the calculations are reasonable, and the model integrity checks outlined in the OEB's Minimum Filing Requirements have been satisfied.

RSL files federal and provincial tax returns annually and confirms that there are no outstanding audits, reassessments, or tax disputes. RSL does not have non-utility activities and has applied the stand-alone principle in determining PILs.

RSL's PILs for the 2027 Test Year are calculated to be nil, as non-capital loss carry forwards are available to fully offset taxable income. The application of these loss-carryforwards is reflected in the PILs model filed with this application.

Detailed calculations of taxable income and PILs are provided in the OEB PILs model. The most recent federal and provincial tax returns are included in Attachment 1.

RSL is not claiming Apprenticeship Training Tax Credits. Adjustments to taxable income, including the application of loss carry forwards, are reflected in the PILs model.

### **6.3.1 Other Taxes and Non- Recoverable and Disallowed Expenses**

RSL confirms that expenses deemed non-recoverable in the revenue requirement (e.g., individual charitable donations) or disallowed for regulatory purposes have been excluded from the regulatory tax calculation.

RSL acknowledges that Account 6105 is not an OM&A account and has been excluded from all OM&A totals.

### 6.3.2 Accelerated CCA

RSL is proposing to not elect AIIP in the PILs model for its 2027 rates.

The 2022 Settlement Agreement confirms that the impacts of accelerated capital cost allowance (CCA) were incorporated into the PILs model underpinning rates at that time and that no smoothing mechanism was required. The Agreement further provides that Account 1592 is to be used to track the impacts of subsequent changes in CCA policy, including the phase-out of accelerated CCA beginning in 2024.

RSL did not elect the Accelerated Investment Incentive Program (AIIP) on eligible capital additions for the 2022, 2023, or 2024 taxation years. This has been confirmed by RSL's tax advisors (KPMG), who determined that claiming AIIP would not have reduced RSL's Payments in Lieu of Taxes (PILs) in any of those years — RSL's accumulated and unused tax loss carry-forwards were sufficient to maintain a zero PILs position regardless of whether AIIP was elected.

Because RSL did not elect to take AIIP in 2024, the partial phase-out of AIIP acceleration in 2024 had no impact on RSL's PILs liability; even if RSL had taken AIIP, the result would have been the accumulation of unused CCA credits. Similarly, the federal government's recent reinstatement of full AIIP acceleration for 2025 has no rate impact, as RSL's PILs are expected to remain at zero whether or not it elects to take AIIP; RSL's intent is to not elect to take AIIP in either 2025 or 2026, the two remaining years of its IRM period.

For the 2027 Test Year RSL is proposing to, again, not take AIIP, as its PILs liability is forecast to be zero even before considering such an election, and continue to be zero throughout the next IRM period. In RSL's view, under such conditions, not claiming the incentive avoids unnecessary complexity in future IRM periods without any impact on rates or ratepayers. RSL notes that its situation is similar to the proposal accepted by the OEB in EB-2024-0012, wherein as a result of persistent PILs liability of zero without requiring the application of AIIP credits, the parties agreed that it was preferable for Centre Wellington Hydro Ltd. to reflect AIIP as unused for both regulatory purposes and in its actual PILs filings, avoiding the need for reconciliations related to AIIP rules during IRM period.<sup>1</sup>

Similarly, as set out in Exhibit 9, RSL is not claiming any recovery from ratepayers as a result of the partial phase out of AIIP in 2024.

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<sup>1</sup> See the Settlement Proposal in EB-2024-0012, filed September 24, 2024, page 35.

### 6.3.3 PILs Integrity Check

RSL confirms that the PILs model has been completed in accordance with the OEB's Minimum Filing Requirements and that all required integrity checks have been satisfied. RSL's external auditor, MNP, has reviewed the PILs model and confirms the consistency of key inputs and calculations.

In particular:

- ✓ Depreciation and amortization added back in the PILs model agree with the amounts presented in the rate base section of the application.
- ✓ Capital additions and deductions reflected in the UCC/CCA schedules are consistent with the rate base for the historical, bridge, and test years.
- ✓ The closing UCC balances from the most recent federal T2 tax return reconcile to the opening balances used in the bridge year.
- ✓ CCA deductions in the PILs model are consistent with the UCC schedules filed in support of the application.
- ✓ Loss carryforwards, as reported in Schedule 4 of the tax returns, are consistent with those applied in the PILs model.
- ✓ CCA has been maximized for regulatory purposes, consistent with OEB policy, including in circumstances where loss carryforwards are available.

### 6.4 OTHER REVENUE

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

Other Distribution Revenues includes items such as:

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

A detailed breakdown of the related USoA account is shown in Table 9 – OEB Appendix 2-H on the next page.

Year-over-year variance analysis over the materiality threshold of \$50,000 follows at Section 6.6 - Other Revenue Variance Analysis.

1

**Table 9 – OEB Appendix 2-H**

USoA #	USoA Description	2022 Actual <sup>2</sup>	2023 Actual <sup>2</sup>	2024 Actual <sup>2</sup>	2025 Actual	Bridge Year	Test Year
		2022	2023	2024	2025	2026	2027
<i>Reporting Basis</i>							
4082	Retail Services Revenues	-\$7,765.25	-\$9,979.78	-\$9,288.57	-\$8,650.78	-\$8,910.30	-\$9,177.61
4084	Service Transaction Requests (STR) Revenues	-\$23.69	-\$29.58	-\$12.30	-\$29.87	-\$30.77	-\$31.69
4086	SSS Administration Revenue	-\$22,429.39	-\$22,449.11	-\$22,626.83	-\$22,815.03	-\$23,499.48	-\$24,204.47
4210	Rent from Electric Property	-\$58,137.84	-\$44,185.11	-\$78,509.89	-\$80,610.94	-\$83,029.27	-\$85,520.15
4215	Other Utility Operating Income	\$0.00	\$14,376.53	\$0.00			
4220	Other Electric Revenues	-\$31,887.29	-\$39,291.39	-\$48,606.74	-\$50,886.19	-\$62,874.00	-\$77,292.00
4225	Late Payment Charges	-\$56,594.45	-\$78,093.17	-\$67,188.13	-\$73,128.51	-\$75,322.37	-\$77,582.04
4230	Sales of Water and Water Power	\$0.00	\$0.00	\$0.00			
4235	Miscellaneous Service Revenues	-\$101,003.02	-\$84,800.11	-\$63,470.34	-\$121,496.09	-\$90,140.97	-\$92,845.20
4240	Provision for Rate Refunds	\$0.00	\$0.00	\$0.00			
4360	Loss on Disposition of Utility and Other Property	\$11,685.21	-\$27,666.71	\$1,574.75	\$4,769.93	\$4,913.03	\$5,060.42
4405	Interest and Dividend Income	-\$19,117.79	-\$77,735.39	-\$97,032.30	-\$36,491.01	-\$37,585.74	-\$38,713.31
<b>Miscellaneous Service Revenues</b>							
		-\$101,003.02	-\$84,800.11	-\$63,470.34	-\$121,496.09	-\$90,140.97	-\$92,845.20
<b>Late Payment Charges</b>							
		-\$56,594.45	-\$78,093.17	-\$67,188.13	-\$73,128.51	-\$75,322.37	-\$77,582.04
<b>Other Operating Revenues</b>							
		-\$120,243	-\$101,558	-\$159,044	-\$162,993	-\$178,344	-\$196,226
<b>Other Income or Deductions</b>							
		-\$34,430	-\$100,825	-\$95,458	-\$31,721	-\$32,673	-\$33,653
<b>Total</b>							
		-\$312,271.08	-\$365,276.58	-\$385,160.35	-\$389,338.49	-\$376,479.87	-\$400,306.05

2

3

<b>Account 4405 - Interest and Dividend Income</b>							
	2022 Actual <sup>2</sup>	2023 Actual <sup>2</sup>	2024 Actual <sup>2</sup>	2025 Actual	Bridge Year	Test Year	
	2022	2023	2024	2025	2026	2027	
<i>Reporting Basis</i>							
Short-term Investment Interest	0	0	0	0	0	0	
Bank Deposit Interest	\$167	\$27,047	\$50,273	\$8,260	\$8,497	\$5,653	
Miscellaneous Interest Revenue	0	0	0	0	0	0	
<i>DVA (not included as indicated in Ch2 Append)</i>	<i>\$18,921</i>	<i>\$50,688</i>	<i>\$46,759</i>	<i>\$28,231</i>	<i>\$29,088</i>	<i>\$33,060</i>	
<b>Total</b>	<b>\$167</b>	<b>\$27,047</b>	<b>\$50,273</b>	<b>\$8,260</b>	<b>\$8,497</b>	<b>\$5,653</b>	

4

## 6.4.1 Other Revenues Variance Analysis

RSL offers the following explanations for variances over \$50,000. Noteworthy variances between are explained below.

Table 10 **Error! Reference source not found.**below present year-over-year variances of other operating revenues:

**Table 10 - Variance Analysis of Other Operating Revenues**

USoA	Description	2023 vs 2022	2024 vs 2023	2025 vs 2024	2026 vs 2025	2027 vs 2026
4082	Retail Services Revenues	-2,215	+691	+638	-260	-267
4084	STR Revenues	-6	+17	-18	-1	-1
4086	SSS Administration Revenue	-20	-178	-188	-684	-705
4210	Rent from Electric Property	+13,953	-34,325	-2,101	-2,418	-2,491
4215	Other Utility Operating Income	+14,377	-14,377	–	–	–
4220	Other Electric Revenues	-7,404	-9,315	-2,279	-11,988	-14,418
4225	Late Payment Charges	-21,499	+10,905	-5,940	-2,194	-2,260
4235	Miscellaneous Service Revenues	+16,203	+21,330	-58,026	+31,355	-2,704
4360	Loss on Disposition	-39,352	+29,241	+3,195	+143	+147
4405	Interest and Dividend Income	-58,618	-19,297	+60,541	-1,095	-1,128

### 4235-Miscellaneous Service Revenues

**2023 Increase: \$58,026**

The increase reflects higher levels of non-recurring, customer-driven service activities in 2025, including connection-related and other miscellaneous services. These revenues are sporadic in nature and do not represent a sustained increase in revenue levels.

### 4405-Interest and Dividend Income (excluding DVA)

**2023 Increase: \$58,618**

**2025 Increase: \$60,541**

Interest and Dividend Income exhibits variability over the period, with a \$58.6K increase in revenue in 2023 relative to 2022, followed by a \$60.5K decrease in 2025 relative to 2024.

These fluctuations are primarily driven by changes in interest rates and the timing and level of cash balances. Cash balances are influenced, in part, by the collection and

disposition of regulatory deferral and variance accounts, which can create temporary increases or decreases in available funds for short-term investment.

As a result, this account reflects a combination of external market conditions and regulatory cash flow timing. It is inherently variable and does not represent a stable or controllable source of revenue for the utility.

## 6.4.2 Proposed Specific Service Charges

RSL does not propose any changes or new Specific Service Charges beyond those previously approved by the OEB, except for the annual update to pole attachment charges in accordance with OEB direction. The Specific Service Charges are provided at Exhibit 8.6.2.

RSL confirms that forecast amounts for Other Operating Revenues, including Miscellaneous Service Revenues and Other Electric Revenues, are based on historical activity levels and reflect the continuation of existing charges as approved by the OEB.

### Wireline Pole Attachment Charges

Pole attachment charges are updated annually in accordance with OEB-issued orders. As of June 19, 2025 (EB-2025-0200), the 2026 distribution pole attachment charge is set at \$40.59 per attacher, per pole, per year, effective January 1, 2026. RSL has used this charge as a basis for these revenues.

RSL no longer records a variance related to differences between previously approved and updated pole attachment rates as rates are updated yearly through yearly IRM mechanism.

### MicroFIT Monthly Service Charge

RSL is not proposing any change to the microFIT Monthly Service Charge of \$17.20, as approved in its 2022 Cost of Service application.

RSL has reviewed its microFIT-related costs and revenues and has determined that no adjustment to the charge is required. microFIT revenues are included within Other Operating Revenues and are not a material driver of overall revenue trends. MicroFIT revenues are recorded as a revenue offset in Miscellaneous Service Revenues (4235) in accordance with OEB requirements.

### **6.4.3 Revenue from Affiliate Transactions, Shared Services, Corporate Cost Allocation.**

RSL does not record revenues in Account 4375 or expenses in Account 4380 related to affiliate transactions. This is because shared service costs, including labour provided by affiliated entities, are fully allocated to RSL and recorded directly in OM&A expenses, as described in Exhibit 4.

As a result, no revenues from affiliate transactions, shared services, or corporate cost allocations are recorded in Other Revenues.

RSL confirms that its transfer pricing and cost allocation methodologies are consistent with Article 340 of the Accounting Procedures Handbook and do not result in cross-subsidization between regulated and non-regulated activities.

## APPENDICES

### List of Appendices

Appendix 6A	2025 Tax Return
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**APPENDIX 6A**

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

**055** Do not use this area

**Identification**  
**Business number (BN)** 001 86485 1993 RC0001

**Corporation's name**  
002 Rideau St. Lawrence Distribution Inc.

**Address of head office**  
Has this address changed since the last time the CRA was notified? 010 Yes  No

If yes, complete lines 011 to 018.  
011 985 Industrial Road  
012

City Province, territory, or state  
015 Prescott 016 ON

Country (other than Canada) Postal or ZIP code  
017 018 KOE 1T0

**Mailing address** (if different from head office address)  
Has this address changed since the last time the CRA was notified? 020 Yes  No

If yes, complete lines 021 to 028.  
021 c/o  
022 985 Industrial Road  
023

City Province, territory, or state  
025 Prescott 026 ON

Country (other than Canada) Postal or ZIP code  
027 028 KOE 1T0

**Location of books and records** (if different from head office address)  
Has this address changed since the last time the CRA was notified? 030 Yes  No

If yes, complete lines 031 to 038.  
031  
032

City Province, territory, or state  
035 036

Country (other than Canada) Postal or ZIP code  
037 038

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

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

**To which tax year does this return apply?**  
Tax year start Year Month Day 060 2025-01-01  
Tax year-end Year Month Day 061 2025-12-31

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

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

**Is the corporation a professional corporation that is a member of a partnership?** 067 Yes  No

**Is this the first year of filing after:**  
Incorporation? 070 Yes  No   
Amalgamation? 071 Yes  No

If yes, complete lines 030 to 038 and attach Schedule 24.  
**Has there been a wind-up of a subsidiary under section 88 during the current tax year?** 072 Yes  No

If yes, complete and attach Schedule 24.  
**Is this the final tax year before amalgamation?** 076 Yes  No

**Is this the final return up to dissolution?** 078 Yes  No

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

**Is the corporation a resident of Canada?** 080 Yes  No

If no, give the country of residence on line 081 and complete and attach Schedule 97.  
081

**Is the non-resident corporation claiming an exemption under an income tax treaty?** 082 Yes  No

If yes, complete and attach Schedule 91.  
**If the corporation is exempt from tax under section 149, tick one of the following boxes:**

085  1 Exempt under paragraph 149(1)(e) or (l)  
 2 Exempt under paragraph 149(1)(j)  
 4 Exempt under other paragraphs of section 149

Do not use this area  
095 096 898

**Attachments**

**Financial statement information:** Use GIFL 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 <b>yes</b> to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<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 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 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 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 type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	<input 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 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 or zero-emission technology manufacturing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input 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 type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<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 claiming a Canadian journalism labour tax credit?	<input type="checkbox"/>	58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92

**Attachments (continued)**

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	<input checked="" type="checkbox"/>	T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000?	<input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input checked="" type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input type="checkbox"/>	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	<input type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	<input type="checkbox"/>	54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	<input type="checkbox"/>	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	<input type="checkbox"/>	59
Is the corporation claiming an air quality improvement tax credit?	<input type="checkbox"/>	65
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	<input type="checkbox"/>	68
Is the corporation a covered entity that redeemed, acquired or cancelled equity of the corporation in the tax year?	<input type="checkbox"/>	56
Is the corporation subject to the excessive interest and financing expenses limitation (EIFEL) rules contained primarily in sections 18.2 and 18.21, or is it a party to any election under the EIFEL rules?	<input type="checkbox"/>	130

**Additional information**

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Is the corporation inactive?	280	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity? . . . . . 221122 Electric Power Distribution					
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	Electricity 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		A
<b>Deduct:</b>			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Restricted interest and financing expenses from Schedule 4	336		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Employer deduction for non-qualified securities	352		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")			C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
<b>Taxable income</b> (amount C plus amount D)	360		

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

**Small business deduction**

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

Income eligible for the small business deduction from Schedule 7	400	A
Taxable income from line 360 on page 3, <b>minus</b> 100/28 ( 3.57143 ) of the amount on line 632* on page 8, <b>minus</b> 4 times the amount on line 636** on page 8, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax	405	B
Business limit (see notes 1 and 2 below)	410	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 \_\_\_\_\_ x **415** \*\*\*  $\frac{6,859}{90,000}$  D = \_\_\_\_\_ E

**Passive income business limit reduction**

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

Amount C \_\_\_\_\_ x Amount F \_\_\_\_\_ = \_\_\_\_\_ G

100,000

The greater of amount E and amount G **422** \_\_\_\_\_ H

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

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

**Reduced business limit after assignment** (amount I **minus** amount J) \_\_\_\_\_ **428** \_\_\_\_\_ K

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

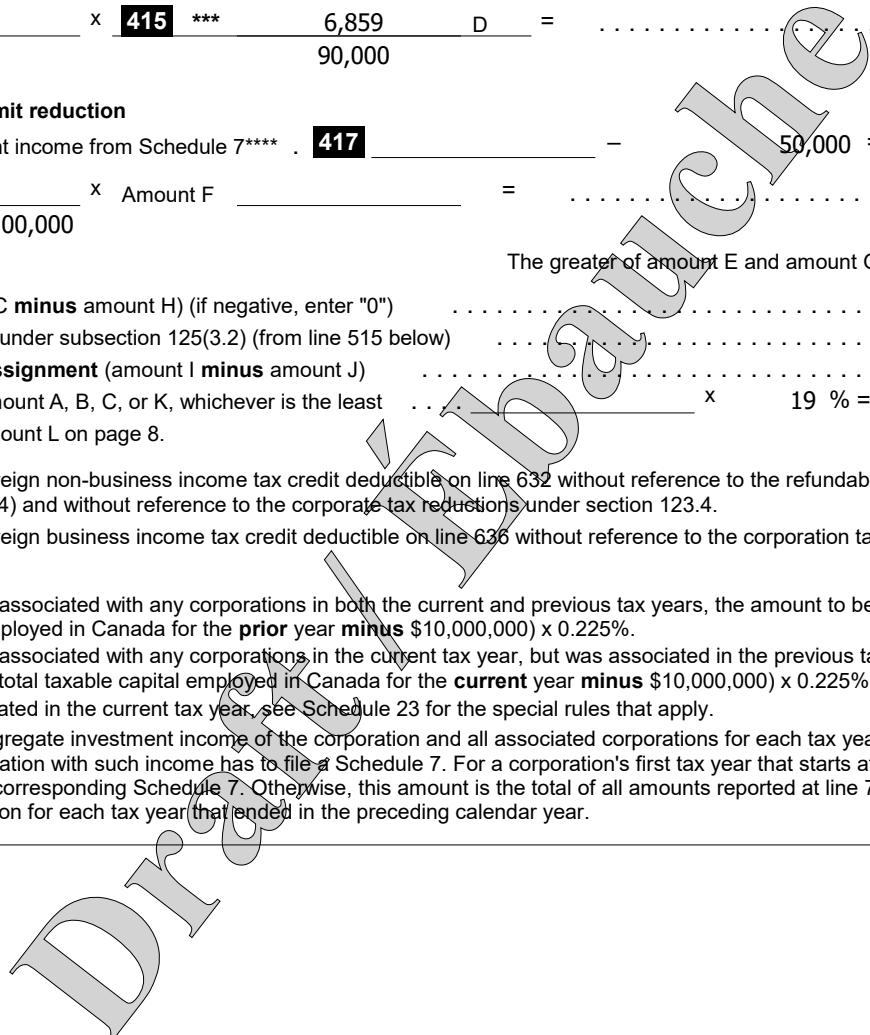
Enter amount from line 430 at amount L on page 8.

- \* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
- \*\* Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

**\*\*\* Large corporations**

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

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



**Small business deduction (continued)**

**Specified corporate income and assignment under subsection 125(3.2)**

L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L <sup>3</sup>	N Business limit assigned to corporation identified in column L <sup>4</sup>
	<b>490</b>	<b>500</b>	<b>505</b>
		Total <b>510</b>	Total <b>515</b>

**Notes:**

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

**General tax reduction for Canadian-controlled private corporations**

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

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

Enter amount I on line 638 on page 8.

\* This is not applicable to substantive CCPCs.

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

**General tax reduction**

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

Taxable income from line 360 on page 3	.....	_____	J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	.....	_____	K
Amount 13K from Part 13 of Schedule 27	.....	_____	L
Personal services business income	.....	<b>434</b>	M
Subtotal (add amounts K to M)			_____ <b>▶</b> _____
			N
Amount J minus amount N (if negative, enter "0")	.....	_____	O
<b>General tax reduction – Amount O multiplied by 13 %</b>			_____ <b>▶</b> _____
			P

Enter amount P on line 639 on page 8.

**Refundable portion of Part I tax**

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

Aggregate investment income from Schedule 7 ..... **440** ..... x 30 2 / 3 % = ..... A

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

Foreign investment income from Schedule 7 ..... **445** ..... x 8 % = ..... C

Subtotal (amount B minus amount C) (if negative, enter "0") ..... **▶** ..... D

Amount A minus amount D (if negative, enter "0") ..... **=====** E

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

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

Foreign non-business income tax credit from line 632 on page 8 ..... x 75 / 29 = ..... H

Foreign business income tax credit from line 636 on page 8 .. . x 4 = ..... I

Subtotal (add amounts G to I) ..... **▶** ..... J

Subtotal (amount F minus amount J) ..... K x 30 2 / 3 % = ..... L

Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9) ..... **=====** M

**Refundable portion of Part I tax** – Amount E, L, or M, whichever is the least ..... **450** ..... **=====** N

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

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**Refundable dividend tax on hand**

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

**Dividend refund**

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTH balance at the end of the tax year (line 530)		BB
<b>Eligible dividend refund</b> (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	44,083	DD
NERDTH balance at the end of the tax year (line 545)		EE
<b>Non-eligible dividend refund</b> (amount DD or EE, whichever is less)		FF
Amount DD minus amount EE (if negative, enter "0")	44,083	GG
Amount BB minus amount CC (if negative, enter "0")		HH
<b>Additional non-eligible dividend refund</b> (amount GG or HH, whichever is less)		II
<b>Dividend refund</b> – Amount CC plus amount FF plus amount II		JJ
Enter amount JJ on line 784 on page 9.		

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**Part I tax**

Base amount Part I tax – Taxable income (from line 360 on page 3) multiplied by 38 %	550	A
<b>Additional tax on personal services business income</b> (section 123.5)		
Taxable income from a personal services business	555 x 5 % = 560	B
Additional tax on banks and life insurers from Schedule 68	565	C
Total labour requirements addition to tax	580	D
Recapture of investment tax credit from Schedule 31	602	E
<b>Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) or substantive CCPC's investment income</b> (if it was a CCPC throughout the tax year or a substantive CCPC at any time in the tax year)		
Aggregate investment income from line 440 on page 6		F
Taxable income from line 360 on page 3		G
<b>Deduct:</b>		
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least*		H
Net amount (amount G minus amount H)		I
Refundable tax on CCPC's or substantive CCPC's investment income – 10 2 / 3 % of whichever is less: amount F or amount I	604	J
Subtotal (add amounts A to E and J)		K
<b>Deduct:</b>		
Small business deduction from line 430 on page 4		L
Federal tax abatement	608	
Manufacturing and processing profits deduction and zero-emission technology manufacturing deduction from Schedule 27	616	
Investment corporation deduction	620	
Taxed capital gains	624	
Federal foreign non-business income tax credit from Schedule 21	632	
Federal foreign business income tax credit from Schedule 21	636	
General tax reduction for CCPCs from amount I on page 5	638	
General tax reduction from amount P on page 5	639	
Federal logging tax credit from Schedule 21	640	
Eligible Canadian bank deduction under section 125.21	641	
Federal qualifying environmental trust tax credit	648	
Investment tax credit from Schedule 31	652	
Subtotal		M
<b>Part I tax payable</b> – Amount K minus amount M		N
Enter amount N on line 700 on page 9.		

\* This is not applicable to substantive CCPCs.

**Privacy notice**

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

**Summary of tax and credits**

**Federal tax**

Part I tax payable from amount N on page 8	700
Part II.2 tax payable from Schedule 56	705
Part III.1 tax payable from Schedule 55	710
Part IV tax payable from Schedule 3	712
Part IV.1 tax payable from Schedule 43	716
Part VI tax payable from Schedule 38	720
Part VI.1 tax payable from Schedule 43	724
Part VI.2 tax payable from Schedule 67	725
Part XII.7 tax payable from Schedule 78	726
Part XIII.1 tax payable from Schedule 92	727
Part XIV tax payable from Schedule 20	728

**Add provincial or territorial tax:**

Total federal tax \_\_\_\_\_

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

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

**Deduct other credits:**

Total tax payable **770** **A**

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

Balance (amount A minus amount B) \_\_\_\_\_

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

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

Refund code **894**

Refund \_\_\_\_\_

Balance owing \_\_\_\_\_

For information on how to enrol for direct deposit, go to [canada.ca/cra-direct-deposit](http://canada.ca/cra-direct-deposit).

For information on how to make your payment, go to [canada.ca/payments](http://canada.ca/payments).

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

If this return was prepared by a tax preparer for a fee, provide their: EFILE number **920** A8340  
RepID **925**

**Certification**

I, **950** McCallum **951** Malcolm **954** CFO

Last name

First name

Position, office, or rank

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

**955** \_\_\_\_\_  
Date (yyyy/mm/dd)

**956** (613) 925-3851  
Signature of the authorized signing officer of the corporation Telephone number

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

**958** \_\_\_\_\_  
Name of other authorized person Telephone number

**Language of correspondence – Langue de correspondance**

Indicate your language of correspondence by entering 1 for English or 2 for French.

Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

**990** 1

Form identifier 100

**GENERAL INDEX OF FINANCIAL INFORMATION – GIF1**

Corporation's name	Business number	Tax year end Year Month Day
Rideau St. Lawrence Distribution Inc.	86485 1993 RC0001	2025-12-31

**Balance sheet information**

Account	Description	GIF1	Current year	Prior year
<b>Assets</b>				
	Total current assets	1599 +	5,792,610	4,261,995
	Total tangible capital assets	2008 +	17,328,440	15,128,795
	Total accumulated amortization of tangible capital assets	2009 -	4,400,757	4,372,827
	Total intangible capital assets	2178 +	485,894	
	Total accumulated amortization of intangible capital assets	2179 -	436,439	
	Total long-term assets	2589 +	936,314	1,330,954
	* Assets held in trust	2590 +		
	<b>Total assets (mandatory field)</b>	<b>2599 =</b>	<b>19,706,062</b>	<b>16,348,917</b>
<b>Liabilities</b>				
	Total current liabilities	3139 +	12,134,566	9,366,288
	Total long-term liabilities	3450 +	3,098,719	2,507,585
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	<b>Total liabilities (mandatory field)</b>	<b>3499 =</b>	<b>15,233,285</b>	<b>11,873,873</b>
<b>Shareholder equity</b>				
	<b>Total shareholder equity (mandatory field)</b>	<b>3620 +</b>	<b>4,472,777</b>	<b>4,475,044</b>
	<b>Total liabilities and shareholder equity</b>	<b>3640 =</b>	<b>19,706,062</b>	<b>16,348,917</b>
<b>Retained earnings</b>				
	<b>Retained earnings/deficit – end (mandatory field)</b>	<b>3849 =</b>	<b>2,034,378</b>	<b>2,036,645</b>

\* Generic item

Form identifier 125

**GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

Corporation's name Rideau St. Lawrence Distribution Inc.	Business number 86485 1993 RC0001	Tax year-end Year Month Day 2025-12-31
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**Income statement information**

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

Account	Description	GIFI	Current year	Prior year
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**Income statement information**

Total sales of goods and services	8089 +	19,423,753	18,008,100
Cost of sales	8518	15,300,648	14,228,932
<b>Gross profit/loss</b>	8519 =	4,123,105	3,779,168
Cost of sales	8518 +	15,300,648	14,228,932
Total operating expenses	9367 +	4,070,553	3,685,076
<b>Total expenses (mandatory field)</b>	9368 =	19,371,201	17,914,008
Total revenue (mandatory field)	8299 +	19,500,329	18,123,986
Total expenses (mandatory field)	9368 -	19,371,201	17,914,008
<b>Net non-farming income</b>	9369 =	129,128	209,978

**Farming income statement information**

Total farm revenue (mandatory field)	9659 +		
Total farm expenses (mandatory field)	9898 -		
<b>Net farm income</b>	9899 =		

<b>Net income/loss before taxes and extraordinary items</b>	9970 =	129,128	209,978
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<b>Total – other comprehensive income</b>	9998 =		
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**Extraordinary items and income (linked to Schedule 140)**

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +		
Unusual items	9985 -		
Current income taxes	9990 -		
Future (deferred) income tax provision	9995 -	16,395	-61,000
Total – Other comprehensive income	9998 +		
<b>Net income/loss after taxes and extraordinary items (mandatory field)</b>	9999 =	112,733	270,978

### General Index of Financial Information (GIFI) – Additional Information

Corporation's name Rideau St. Lawrence Distribution Inc.	Business number 86485 1993 RC0001	Tax year-end Year Month Day 2025-12-31
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- Corporations need to complete all parts of this schedule that apply and include it with their T2 return along with their other GIFI schedules.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI), and Guide T4012, T2 Corporation – Income Tax Guide.

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

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

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

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

Is that person connected\*\* with the corporation? ..... **097** Yes  No

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

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

#### Part 2 – Type of involvement

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

Completed an auditor's report ..... **300**

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

Conducted a compilation engagement ..... **302**

Provided accounting services ..... **303**

Provided bookkeeping services ..... **304**

Other (please specify) ..... **305** completed tax return

#### Part 3 – Reservations

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

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

#### Part 4 – Other information

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

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

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

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

Did the corporation have any commitments during the tax year? ..... **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	<b>210</b>	<b>211</b>
Intangible assets	<b>215</b>	<b>216</b>
Investment property	<b>220</b>	
Biological assets	<b>225</b>	
Financial instruments	<b>230</b>	<b>231</b>
Other	<b>235</b>	<b>236</b>

**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**

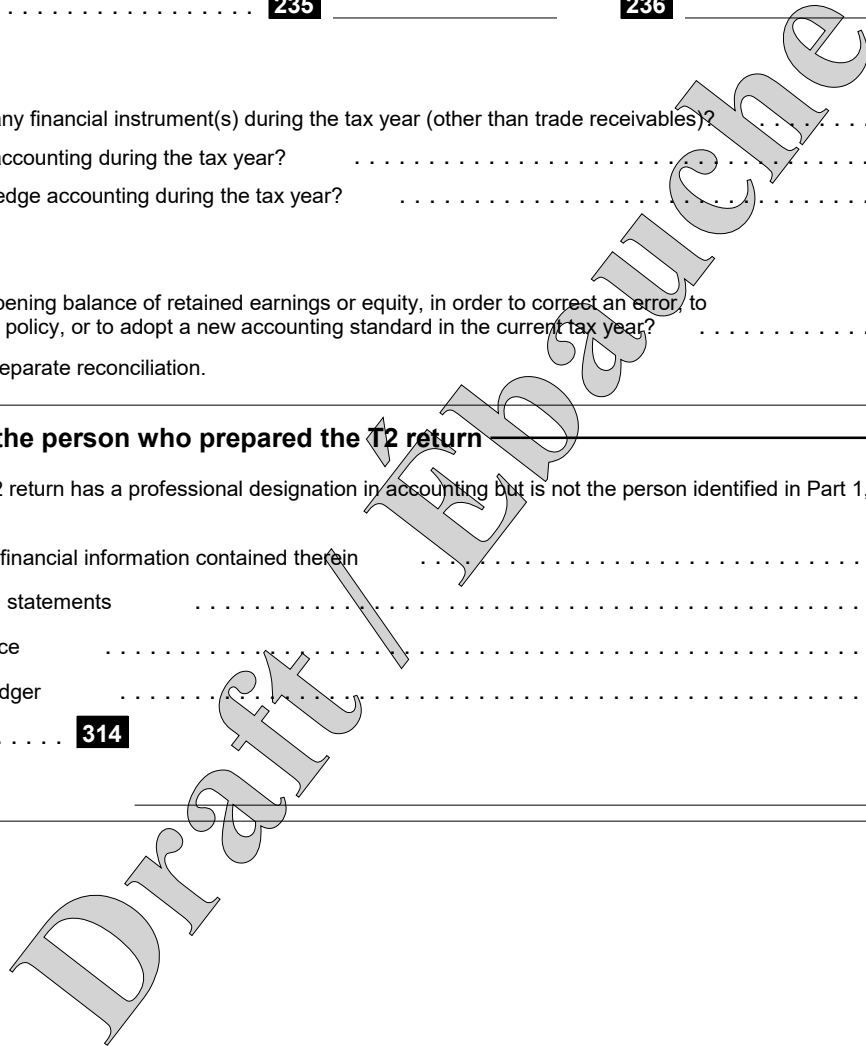
Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? **265** Yes  No

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

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

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

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



Corporation's name	Business number	Tax year end Year Month Day
Rideau St. Lawrence Distribution Inc.	86485 1993 RC0001	2025-12-31

**General Index of Financial Information**  
**Notes to the financial statements**

1. Reporting entity:

Rideau St. Lawrence Distribution Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) on October 17, 2000. The Company is domiciled in Canada and is a regulated electricity local distribution corporation ("LDC") operating in eastern Ontario. The address of the Company's registered office is 985 Industrial Road, Prescott, Ontario, K0E 1T0.

2. Statement of compliance:

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. They were authorized for issue by the Company's board of directors on April 21, 2026.

3. Basis of preparation:

(a) Basis of measurement:

The financial statements have been prepared on the historical basis unless otherwise stated.

(b) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(c) Use of judgments and estimates:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. These estimates and assumptions have been made using careful judgment; however, uncertainties could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future. The estimates and underlying assumptions are prepared based on management's best knowledge of current events and actions that the Company may undertake in the future. These estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized prospectively in comprehensive income in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are discussed below.

3. Basis of preparation (continued):

(c) Use of judgments and estimates (continued):

(i) Useful lives of depreciable assets:

The useful lives of depreciable assets have been determined based on management's estimated utility of the assets.

Corporation's name	Business number	Tax year end Year Month Day
Rideau St. Lawrence Distribution Inc.	86485 1993 RC0001	2025-12-31

## General Index of Financial Information

### Notes to the financial statements

(ii) Payments in lieu of taxes payable:

The Company is required to make payments in lieu of taxes calculated on the same basis as income taxes on taxable income earned and capital taxes. Significant judgment is required in determining the provision for taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the year in which such determination is made.

(d) Explanation of activities subject to rate regulation:

Rideau St. Lawrence Distribution Inc., as an electricity distributor, is both licensed and regulated by the OEB which has a legislative mandate to oversee various aspects of the electricity industry. The OEB exercises statutory authority through setting or approving all rates charged by the Company and establishing standards of service for the Company's customers.

The OEB has broad powers relating to licensing, standards of conduct and service and the regulation of rates charged by the Company and other electricity distributors in Ontario. The Ontario government enacted the Energy Competition Act, 1998, to introduce competition to the Ontario energy market. Rates are set by the OEB every five years with annual adjustments for the year May 1 to April 30 of each year.

Regulatory risk:

Regulatory risk is the risk that the Province and its regulator, the OEB, could establish a regulatory regime that imposes conditions that restrict the electricity distribution business from achieving an acceptable rate of return that permits financial sustainability of its operations including the recovery of expenses incurred for the benefit of other market participants in the electricity industry such as transition costs and other regulatory assets. All requests for changes in electricity distribution charges require the approval of the OEB.

3. Basis of preparation (continued):

(d) Explanation of activities subject to rate regulation (continued):

Recovery risk:

Regulatory developments in Ontario's electricity industry may affect distribution rates and other permitted recoveries in the future. The Company is subject to a cost-of-

Corporation's name	Business number	Tax year end Year Month Day
Rideau St. Lawrence Distribution Inc.	86485 1993 RC0001	2025-12-31

## General Index of Financial Information

### Notes to the financial statements

service

regulatory mechanism under which the OEB establishes the revenues required:

\* to recover the forecasted operating costs, including depreciation and payments in lieu of

taxes, of providing the regulated service, and;

\* to provide a fair and reasonable return on utility investment, or rate base.

As actual operating conditions may vary from forecast, actual returns

achieved can differ from

approved returns.

4. Summary of material accounting policies:

The principal accounting policies adopted in the preparation of the financial statements are set

out below. The policies have been consistently applied to all the years

presented, unless

otherwise stated.

(a) Regulatory deferral accounts

Regulatory deferral account debit balances represent future revenues

associated with certain

costs incurred in the current year or in prior year(s) that are expected to

be recovered from

consumers in future years through the rate-setting process. Regulatory

deferral account

credit balances are associated with the collection of certain revenues earned

in the current

year or prior years(s) that are expected to be returned to consumers in

future years through

the rate-setting process. Regulatory deferral account balances can arise from

differences in

amounts collected from customers (based on regulated rates) and the

corresponding cost of

non-competitive electricity service incurred by the Company in the wholesale

market

administered by the Independent Electricity System Operator (the "IESO")

after May 1, 2002.

These amounts have been accumulated pursuant to regulation underlying the

Electricity Act

and deferred in anticipation of their future recovery or expense in

electricity distribution

service charges.

Explanation of recognized amounts:

Regulatory deferral account balances are recognized and measured initially and

subsequently at cost. They are assessed for impairment on the same basis as

other nonfinancial

assets as described below.

Management continually assesses the likelihood of recovery of regulatory

assets. If recovery

through future rates is no longer considered probable, the amounts would be

charged to the

results of operations in the year that the assessment is made.

4. Summary of material accounting policies (continued):

(b) Financial instruments:

(i) Financial assets:

Recognition and initial measurement:

The Company recognizes financial assets when it becomes party to the

contractual

provisions of the instrument. Financial assets are measured initially at

Corporation's name	Business number	Tax year end Year Month Day
Rideau St. Lawrence Distribution Inc.	86485 1993 RC0001	2025-12-31

## General Index of Financial Information

### Notes to the financial statements

their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in income or loss when incurred.

Classification and subsequent measurement:

Subsequent to initial recognition, all financial assets are classified and subsequently measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in income or loss. Financial assets measured at amortized cost are comprised of cash, trade and other receivables and unbilled energy revenue.

Reclassifications:

The Company reclassifies debt instruments only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

Impairment:

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at fair value through profit or loss and equity investments. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for trade and other receivables and unbilled energy revenue. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

4. Summary of material accounting policies (continued):

(b) Financial instruments (continued):

(i) Financial assets (continued):

Impairment (continued):

The Company assesses whether a financial asset is credit-impaired at the reporting date.

Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts. For financial assets assessed as credit-impaired at the

Corporation's name	Business number	Tax year end Year Month Day
Rideau St. Lawrence Distribution Inc.	86485 1993 RC0001	2025-12-31

## General Index of Financial Information

### Notes to the financial statements

reporting date,  
the Company continues to recognize a loss allowance equal to lifetime  
expected credit  
losses.  
Loss allowances for expected credit losses are presented in the statement of  
financial  
position as a deduction from the gross carrying amount of the financial asset.  
Credit-impaired financial assets are identified through regular reviews of  
past due  
balances and credit assessments of its customers. The Company considers past  
due  
information of its balances and information about the customer available  
through regular  
commercial dealings.  
Measurement of expected credit losses:  
When measuring lifetime expected credit losses, the Company considers its  
past credit  
experience and estimates the timing, probability and magnitude of any cash  
shortfalls to  
determine the present value of expected credit losses at the reporting date.  
Forwardlooking  
information is incorporated into the determination of expected credit losses  
by  
considering regional economic forecasts, collecting information available  
from regular  
commercial dealings with its customers and other publicly available  
information and  
considering the effect such information could have on any assumptions or  
inputs used in  
the measurement of expected credit losses, determining significant increases  
in credit  
risk or identifying a credit-impaired financial asset.  
Financial assets are expensed to operations when the customer has filed for  
bankruptcy  
and the trustee has indicated that no additional funds will be paid or when  
the customer is  
no longer dealing with the Company.  
Derecognition of financial assets:  
The Company derecognizes a financial asset when its contractual rights to the  
cash flows  
from the financial asset expire.

4. Summary of material accounting policies (continued):  
(b) Financial instruments (continued):  
(ii) Financial liabilities:  
Recognition and initial measurement:  
The Company recognizes a financial liability when it becomes party to the  
contractual  
provisions of the instrument. At initial recognition, the Company measures  
financial  
liabilities at their fair value less transaction costs that are directly  
attributable to their  
issuance, with the exception of financial liabilities subsequently measured  
at fair value  
through profit or loss for which transaction costs are immediately recorded  
in income or  
loss.

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Classification and subsequent measurement:

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in income or loss. Financial liabilities measured at amortized cost are comprised of bank indebtedness, trade and other payables, customer deposits, advances from related parties and promissory notes. Distributions to holders of

of instruments classified as equity are recognized directly in equity.

Derecognition of financial liabilities:

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

(c) Revenue recognition:

The following describes the Company's principal activities from which it generates revenue.

(i) Sale and distribution of energy:

The Company generates revenue from the sale and distribution of energy to customers

based on regulator-approved tariff rates. Contracts have a single performance obligation,

being the delivery of energy. No component of the transaction price is allocated to

unsatisfied performance obligations.

The Company is licensed by the OEB to distribute electricity. As a licensed distributor,

the Company is responsible for billing customers for electricity generated by third parties

and the related costs of providing electricity service, such as transmission services and

other services provided by third parties. The Company is required, pursuant to regulation,

to remit such amounts to these third parties, irrespective of whether the Company

ultimately collects these amounts from customers. The Company has determined that

they are acting as a principal for the electricity distribution and, therefore, have presented

the electricity revenues on a gross basis.

4. Summary of material accounting policies (continued):

(c) Revenue recognition (continued):

(i) Sale and distribution of energy (continued):

Revenues from the sale and distribution of electricity is recognized over time as electricity

is delivered to the customer, as measured by meter readings.

Revenue includes an estimate for unbilled energy consumed since the last meter reading

that has not been billed at the end of the reporting year. Sales estimates generally reflect

an analysis of historical consumption in relation to key inputs, such as current energy

prices, population growth, economic activity, weather conditions and system losses.

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Unbilled revenue accruals are adjusted in the years when actual consumption becomes known.

The Company has elected not to assess or account for any significant financing components associated with revenue billed in accordance with equal payment plans as the year between the transfer of energy to customers and the customers' payment will be less than one year.

The Company is allowed to adjust future rates in response to past activities or completed events if certain criteria are met. This is recognized on an accrual basis with a corresponding regulatory asset or liability until the revenue is settled.

Upon settlement, the change in the regulatory asset or liability is not recognized as revenue from contracts with customers but rather as settlement of the regulatory asset or liability and shown separately on the statement of income and other comprehensive income.

(ii) Other charges:

Other charges include:

\* Income from lease of certain equipment and is recognized on a straight-line basis over the term of the contract.

\* Miscellaneous income: recognized on a monthly basis as performance obligations are met.

(d) Cash:

Cash comprises cash on hand, demand deposits and short-term highly liquid investments with original maturities of three months or less that are readily convertible into to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank indebtedness is included in cash as it is due on demand and the balance often fluctuates from being positive to overdrawn. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. As at December 31, 2025 and 2024 the Company had no restricted cash.

4. Summary of material accounting policies (continued):

(e) Inventories:

Inventories represent parts used in various jobs. Cost of inventories is comprised of direct materials, which typically consists of distribution assets not deemed as major spares, unless purchased for specific capital projects in process or as spare units. Costs, after deducting rebates and discounts, are assigned to individual items of inventory on the basis of weighted average cost. Decommissioned assets that are transferred to inventory are tested for impairment once they are removed from service and placed in inventory. Inventory is

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recognized at the lower of cost and replacement cost.

(f) Property, plant and equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition

or construction of the asset and to bring it to the location and condition necessary to be

capable of operating in the manner intended by the Company. When parts of an item of

property, plant and equipment have different useful lives, they are accounted for as separate

items of property, plant and equipment.

All assets having limited useful lives are depreciated using the following method and rates

from the date of acquisition:

Asset Method Rate

Buildings Straight-line 50 years

Distribution equipment Straight-line 25 - 60 years

Vehicles Straight-line 4 - 8 years

Other equipment Straight-line 4 - 10 years

The residual value, useful life and depreciation method applied to each class of assets are

reassessed at each reporting date.

The Company conducts annual internal assessments of the value of property, plant and

equipment balances to determine whether there are events or changes in circumstances that

indicate that their carrying amount may not be recoverable. Where the carrying amount

exceeds its recoverable amount, which is the higher of the value in use and fair value less

costs to sell, the asset is written down accordingly. Where it is not possible to estimate the

recoverable amount of an individual asset, the impairment test is carried out on the asset's

cash-generating unit, which is the lowest group of assets to which the asset belongs, for

which there are separately identifiable cash inflows that are largely independent of the cash

flows from other assets. The Company has one cash-generating unit for which impairment

testing is performed. An impairment loss is charged to the statement of income and other

comprehensive income.

4. Summary of material accounting policies (continued):

(f) Property, plant and equipment (continued):

Gains or losses on disposal of property, plant and equipment are recognized in income and

are calculated as the difference between net proceeds from disposal and the carrying amount

of the asset. The estimated useful lives and depreciation methods are reviewed at each yearend

with the effect of any changes in estimate being accounted for on a prospective basis.

(g) Intangibles:

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Intangible assets include computer software, Intangible assets with finite lives are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Intangible assets with finite lives are depreciated on a straight-line basis over the estimated service lives of the related assets while those with indefinite lives are not depreciated. Intangible assets are derecognized on disposal or when no further future economic benefits are expected from their use.

Gains or losses on disposal of intangible assets are recognized in income and are calculated as the difference between net proceeds from disposal and the carrying amount of the asset.

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

(h) Contributions in aid of construction:  
When an asset is received as a capital contribution, the asset is initially recognized at its fair value, with the corresponding amount recognized as contributions in aid of construction.

(i) Finance income and finance costs:  
Finance income is comprised of interest income on funds invested. Interest income is recognized as it accrues in the statement of income and comprehensive income, using the effective interest method.  
Finance cost is comprised of interest payable on debt.

(j) Customer deposits:  
Customers may be required to post security to obtain electricity or other services, which are refundable to customers demonstrating an acceptable level of credit risk as determined by the Company in accordance with policies set out by the OEB or upon termination of their electricity distribution service.  
Deposits to be refunded to customers within the next fiscal year are classified as a current liability. Interest is paid on customer deposits at a rate of 1% per annum.

4. Summary of material accounting policies (continued):

(k) Leases:  
The Company has elected to not recognize right-of-use assets and lease liabilities for short-term and low value leases of equipment Short-term leases are leases with a term of twelve months or less. Low value leases are leases where the underlying asset has a new value of \$5,000 USD or less. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Payments in lieu of taxes payable:  
The Company is a Municipal Electricity Utility ("MEU") for purposes of the payments in lieu of taxes ("PILs") regime contained in the Electricity Act, 1998. As a MEU, the

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Company is exempt from tax under the Income Tax Act (Canada) and the Corporations Act (Ontario).

Under the Electricity Act, 1998, the Company is required to make, for each taxation year, PILs to Ontario Electricity Financial Corporation ("OEFC"), commencing October 1, 2001.

These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations.

Current and deferred tax:

Taxation is recognized in income or loss except to the extent that the tax arises from a transaction or event which is recognized either in other comprehensive income or directly in equity, or a business combination.

Current tax is the expected tax payable on the taxable income for the year using rates enacted at the year end, and includes any adjustments to tax payable in respect of previous years.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting income.

Where an asset has no deductible or depreciable amount for income tax purposes, but has a deductible amount on sale or abandonment for capital gains purposes, the amount is included in the determination of temporary differences.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective year of realization, provided they are enacted or substantively enacted by the end of the reporting year.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets are reviewed at each statement of financial position and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

4. Summary of material accounting policies (continued):

(m) Contingent liabilities and contingent assets:

All contingent liabilities are continually reviewed to determine whether an outflow of economic benefits has become probable. Where a contingent liability becomes probable that an outflow

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of future economic benefits will be required, a provision is recognized in the year in which the change in probability occurs. If at the end of the reporting year it is no longer probable that an outflow of economic benefits will be required to settle the obligation, the provision is reversed.

(n) New standard not yet adopted:

(i) IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued a new standard, IFRS 18 Presentation and Disclosure of

Financial Statements ("IFRS 18"), which replaces IAS 1. IFRS 18 is effective for reporting

periods beginning on or after January 1, 2027. The standard is to be applied retrospectively, with early adoption permitted. IFRS 18 is expected to improve the quality

of financial reporting by requiring defined subtotals in the statement of income or loss,

requiring disclosure about management-defined performance measures, and adding new

principles for aggregation and disaggregation of information.

The Company has not yet determined the impact of this standard on its disclosures.

(ii) IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments ("IFRS 9")

and IFRS 7 Financial Instruments: Disclosures ("IFRS 7"), which will be effective for

reporting periods beginning on or after January 1, 2026. The amendments address

narrow-scope issues identified during the post-implementation review of the classification

and measurement requirements of IFRS 9. The amendments focus on two key areas: the

classification of financial assets with contingent features, and the derecognition of

financial liabilities settled through electronic payment systems.

Furthermore, the

amendments introduce new and enhanced disclosure requirements to improve transparency regarding the application of the amended IFRS requirements.

The Company does not expect these amendments to have a material impact on the financial statements.

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5. Trade and other receivables:

2025 2024

Trade receivables \$ 1,644,708 \$ 1,502,271

Other receivables 1,604,703 72,624

3,249,411 1,574,895

Allowance for doubtful accounts (85,000) (85,000)

\$ 3,164,411 \$ 1,489,895

6. Inventories:

The amount of inventories consumed by the Company and recognized in operating and

maintenance expense during the year was \$225,456 (2024 - \$15,924). The

Company capitalized

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\$232,070 (2024 - \$149,131) from inventories during the year.

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7. Property, plant and equipment:

Land and Distribution Other Construction

buildings equipment Vehicles equipment in progress Total

Cost:

Balance, January 1, 2024 \$ 225,378 \$ 11,912,286 \$ 955,781 \$ 407,689 \$ 17,303  
\$ 13,518,437

Additions - 876,873 - 19,576 229,761 1,126,210

Disposals - (1,746) - - - (1,746)

Balance, December 31, 2024 225,378 12,787,413 955,781 427,265 247,064  
14,642,901

Additions - 1,492,766 32,153 21,156 1,145,123 2,691,198

Disposals - (5,660) - - - (5,660)

Balance, December 31, 2025 \$ 225,378 \$ 14,274,519 \$ 987,934 \$ 448,421 \$  
1,392,187 \$ 17,328,439

Depreciation:

Balance, January 1, 2024 \$ 32,504 \$ 2,413,599 \$ 736,967 \$ 328,102 \$ - \$  
3,511,172

Depreciation 4,158 340,855 86,193 26,628 - 457,834

Other adjustments - 70 - - - 70

Balance, December 31, 2024 36,662 2,754,524 823,160 354,730 - 3,969,076

Depreciation 4,158 340,065 63,988 24,359 - 432,570

Disposals - (889) - - - (889)

Balance, December 31, 2025 \$ 40,820 \$ 3,093,700 \$ 887,148 \$ 379,089 \$ - \$  
4,400,757

Net book value:

Balance, December 31, 2024 \$ 188,716 \$ 10,032,889 \$ 132,621 \$ 72,535 \$  
247,064 \$ 10,673,825

Balance, December 31, 2025 \$ 184,558 \$ 11,180,819 \$ 100,786 \$ 69,332 \$  
1,392,187 \$12,927,682

8. Intangible assets:

Cost:

Balance, January 1, 2024 \$ 478,894

Additions 7,000

Balance, December 31, 2024 485,894

Additions -

Balance, December 31, 2025 \$ 485,894

Depreciation:

Balance, January 1, 2024 \$ 349,693

Depreciation 54,058

Balance, December 31, 2024 403,751

Depreciation 32,688

Balance, December 31, 2025 \$ 436,439

Carrying amounts:

At December 31, 2024 \$ 82,143

At December 31, 2025 \$ 49,455

9. Regulatory deferral account balances:

The Company's regulatory deferral account balances comprised of the following:

Balance

arising in Recovery/

2024 the year reversal 2025

Regulatory deferral assets:

RSVA \$ 822,656 \$ (42,089) \$ (481,806) \$ 298,761

DVA 2021-2025 254,418 (11,404) - 243,014

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Lost collection revenue 52,847 1,485 - 54,332  
 Other variances 126,271 155,569 - 281,840  
 Regulatory assets 1,256,192 103,561 (481,806) 877,947  
 Regulatory deferral liabilities:  
 RSVA 238,483 295,168 (204,095) 329,556  
 DVA 2021-2025 128,790 75,712 (17,281) 187,221  
 Pole attachment 26,652 752 - 27,404  
 Other variances 113,832 70,064 - 183,896  
 Regulatory liabilities 507,757 441,696 (221,376) 728,077  
 Net regulatory deferred  
 assets (liabilities) \$ 748,435 \$ (338,135) \$ (260,430) \$ 149,870  
 Balance  
 arising in Recovery/  
 2023 the year reversal 2024  
 Regulatory deferral assets:  
 RSVA \$ 752,664 \$ 563,131 \$ - \$ 822,656  
 DVA 2018-2024 200,032 - (433,472) 254,418  
 Lost collection revenue 50,424 - - 52,847  
 Other variances 46,377 78,060 - 126,271  
 Regulatory assets 1,049,497 641,191 (433,472) 1,256,192  
 Regulatory deferral liabilities:  
 RSVA 131,371 261,727 - 238,483  
 DVA 2018-2024 51,325 - (40,940) 128,790  
 Pole attachment 25,426 - - 26,652  
 Other variances 47,680 57,237 - 113,832  
 Regulatory liabilities 255,802 318,964 (40,940) 507,757  
 Net regulatory deferred  
 assets (liabilities) \$ 793,695 \$ 322,227 \$ (392,532) \$ 748,435

#### 9. Regulatory deferral account balances (continued):

##### (a) Carrying charges:

Carrying charges are calculated monthly on the opening balance of the applicable variance account using the prescribed interest rate as set by the OEB. During the year the Company recorded a net debit balance of \$12,416 (2024 - \$25,045) to the above regulatory accounts for carrying charges and the related net credit balance is included in finance income. The prescribed interest rate history is as follows:

2025 OEB quarterly prescribed interest rates: 3.64%, 3.16%, 2.91%, and 2.91%  
 2024 OEB quarterly prescribed interest rates: 5.49%, 5.49%, 5.20%, and 4.40%.

##### (b) Retail Settlement Variance Accounts ("RSVA"):

Retail settlement variance accounts are comprised of the variances between amounts charged by the Company to its customers, based on regulated rates, and the corresponding cost of non-competitive electricity service incurred by the Company. The settlement variances relate primarily to service charges, non-competitive electricity charges and the global adjustment. Accordingly, the Company has deferred the variances between the costs incurred and the related recoveries in accordance with the criteria set out in the accounting principles prescribed by the OEB. The balance for settlement variances continues to be

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calculated and attracts carrying charges in accordance with the OEB's direction

(c) Deferral and Variance Accounts ("DVA"):

The DVA is comprised of the cumulative balances of regulatory assets and regulatory liabilities approved for disposition by the OEB, reduced by amounts settled with customers through billing of approved disposition rate riders.

The DVA is subject to carrying charges following the OEB prescribed methodology and rates.

(d) Lost collection revenue:

This variance account is used to record the difference in revenues lost due to regulation changes from the previous OEB rate application approval process in charging disconnection notice fees to customers.

(e) Pole attachment:

This variance account is used to record the difference in revenues between the regulated approved cost and what is charged and collected relating to joint pole use with other utility, telephone and cable providers.

(f) Lost Revenue Adjustment Mechanism Variance Account ("LRAMVA"):

This variance account captures the difference between results of actual, verified impacts of authorized conservation and demand management ("CDM") activities undertaken and the level of CDM program activities included in the distributor's load forecast and therefore embedded into rates.

10. Credit facility:

Rideau St. Lawrence Holdings Inc. and the associated companies have available an authorized line of credit with limit of \$1,500,000.

The line of credit bears interest at prime rate plus 0.25% (2024- prime rate plus 0.25% per annum and is secured by Guarantee of Advances supported by each of the following related parties:

Rideau St. Lawrence Holdings Inc., Rideau St. Lawrence Utilities Inc. and Rideau St. Lawrence Services Inc.

As at December 31, 2025 the balance on this credit facility was \$361,246 (2024 - \$Nil).

Rideau St. Lawrence Holdings Inc. entered into an irrevocable standing letter of credit with a financial institution. The letter of credit is a prudential support obligation required by all small distribution companies in Ontario with the IESO and is available for IESO to draw on against any outstanding invoices. The prudential support obligation is calculated at \$ 681,809, which IESO has not exercised as at December 31, 2025.

11. Advances from related parties:

2025 2024

Rideau St. Lawrence Utilities Inc., 0% \$ 1,738,417 \$ 1,992,456

Rideau St. Lawrence Services Inc., 0% 73,514 78,734

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Rideau St. Lawrence Holdings Inc., 0% 343,031 343,031

Rideau St. Lawrence Holdings Inc., 4.93% 2,260,407 2,298,327

Rideau St. Lawrence Holdings Inc., 5.12% 530,365 541,794

Rideau St. Lawrence Holdings Inc., 3.69% 750,000 -

\$ 5,695,734 \$ 5,254,342

For the year ended December 31, 2025

#### 12. Promissory notes:

The promissory notes are due to the shareholders of Rideau St. Lawrence Holdings Inc. and bear

interest at a rate determined by the Board of Directors not to exceed 7.25% per annum, and are

unsecured. Interest shall be payable at the discretion of the Board of Directors. The interest rate

as at December 31, 2025 was 3.72% (2024 - 3.72%).

2025 2024

The Corporation of the Township of Edwardsburgh/

Cardinal \$ 225,000 \$ 225,000

The Corporation of the Municipality of South Dundas 938,352 938,352

\$ 1,163,352 \$ 1,163,352

Interest expense of \$43,277 (2024 - \$43,277) is included in finance costs.

#### 13. Contribution in aid of construction:

2025 2024

Balance, January 1 \$ 1,883,097 \$ 1,745,546

Funds received during the year 418,497 180,621

Funds recognized as other charges revenue (50,886) (43,070)

Balance, December 31 \$ 2,250,708 \$ 1,883,097

All contributions in aid of construction are cash contributions. There has not been any

contributions of property, plant and equipment.

#### 14. Share capital:

The Company has an unlimited number of common shares authorized for issuance.

Issued and fully paid:

2025 2024

2,511,123 common shares \$ 2,511,123 \$ 2,511,123

#### 14. Share capital (continued):

On July 24, 2025, the Board of Directors declared a \$115,000 dividend on the common shares of

the Company outstanding on December 31, 2024. The dividend was paid to the shareholder on

September 4, 2025.

#### 15. Payments in lieu of taxes:

Income taxes are considered Payment in Lieu of corporate income taxes ("PILs") for the

Company and consist of the following:

2025 2024

Deferred tax expense (recovery) \$ 16,394 \$ (61,000)

\$ 16,394 \$ (61,000)

Deferred tax expense recognized in income:

The deferred tax expense recognized in income for the current year is a result of the following

changes:

2025 2024

Deferred tax asset:

Property, plant and equipment \$ 45,216 \$ 61,610

Future employee benefits 13,152 13,152

\$ 58,368 \$ 74,762

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15. Payments in lieu of taxes (continued):

Reconciliation between PILs and pre-PILs net income:

2025 2024

Accounting income before PILs \$ 727,692 \$ 255,237

Net movement on regulatory deferral accounts (598,565) (45,260)

Accounting profit before income tax \$ 129,127 \$ 209,977

Income tax expense calculated at 12.20% (2024 - 12.20%) \$ 15,753 \$ 25,617

Prior period adjustment - (86,810)

Non deductible loss on sale of property, plant and equipment - 193

Other 641 -

Provision (recovery) of payments in lieu of taxes \$ 16,394 \$ (61,000)

The applicable tax rate is the aggregate of the federal income tax rate of 9%

(2024 - 9%) and the

provincial tax rate of 3.2% (2024 - 3.2%).

16. Liability insurance:

The Company belongs to the Municipal Electric Association Reciprocal Insurance Exchange

("MEARIE"). MEARIE is a self-insurance plan that pools the risks of all of its members. Any

losses experienced by MEARIE are shared amongst its members. As at December 31, 2025, the

Company has not been made aware of any assessments for losses. Insurance premiums

charged to each member consist of a levy per thousand dollars of service revenue subject to a

credit or surcharge based on each member's claims experience. The maximum coverage is

\$30,000,000 for liability insurance, \$13,878,656 for property insurance, and \$21,000,000 for

vehicle insurance.

17. Related party transactions:

(a) Key management compensation of the Company:

Key management of the Company has been defined as members of its board of directors and

executive management team members.

2025 2024

Directors' fees \$ 52,326 \$ 55,820

Executive Management compensation 401,930 581,596

\$ 454,256 \$ 637,416

(b) Transactions with the ultimate controlling parties of the Company:

The common shares of Rideau St. Lawrence Distribution Inc. are wholly owned by Rideau St.

Lawrence Holdings Inc. The common shares of Rideau St. Lawrence Holdings Inc. are

owned by the following corporations:

The Corporation of the Municipality of South Dundas - 33.63%

The Corporation of the Township of Edwardsburgh/Cardinal - 11.92%

The Corporation of the Village of Westport - 9.92%

The Corporation of the Town of Prescott - 34.53%

Canadian Niagara Power Company Limited - 10.00%

Consequently, as the ultimate parent constitutes a local government, the Company is exempt

from some of the general disclosure requirements of IAS 24 with relation to transactions with

government-related parties, and has applied the government-related disclosure requirements.

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Electricity sales:

2025 2024

The Corporation of the Municipality of South Dundas \$ 731,779 \$ 671,648

The Corporation of the Township of Edwardsburgh/

Cardinal 416,063 390,159

The Corporation of the Village of Westport 179,873 205,229

The Corporation of the Town of Prescott 557,043 445,432

\$ 1,884,758 \$ 1,712,468

17. Related party transactions (continued):

(c) Transactions with entities with joint control over the Company:

Property taxes and other expenses:

2025 2024

The Corporation of the Municipality of South Dundas \$ 39,325 \$ 39,323

The Corporation of the Township of Edwardsburgh/

Cardinal 710 9,067

The Corporation of the Village of Westport - (4,966)

The Corporation of the Town of Prescott 27,455 25,972

\$ 67,490 \$ 69,406

(d) Transactions with entities with significant influence over the Company:

Trade and other receivables:

2025 2024

The Corporation of the Municipality of South Dundas \$ 51,936 \$ 58,351

The Corporation of the Township of Edwardsburgh/

Cardinal 37,530 37,271

The Corporation of the Village of Westport 19,546 19,886

The Corporation of the Town of Prescott 3,753 39,937

\$ 112,765 \$ 155,445

Other charges include an amount from a company under common control of

\$42,541 (2024

\$40,067).

18. Fair value measurements:

The Company classifies fair value measurements recognized in the statement of financial position

using a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as

follows:

\* Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities

\* Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly

18. Fair value measurements (continued):

\* Level 3: Unobservable inputs for which there is little or no market data and which require the Company to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input

that is assessed to be significant to that fair value measurement. This assessment requires the

use of judgment in considering factors specific to an asset or a liability and may affect the

placement of the fair value measurement within the hierarchy.

The Company considers a fair value measurement to have transferred between the levels in the

fair value hierarchy on the date of the event or change in circumstances that

Corporation's name	Business number	Tax year end Year Month Day
Rideau St. Lawrence Distribution Inc.	86485 1993 RC0001	2025-12-31

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caused the transfer.

There were no transfers between Level 1 and Level 2, as well as no transfers into or out of Level 3 during the year.

19. Financial instruments:

The Company as part of its operations carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

(a) Credit risk:

Credit risk is the risk of financial loss to the Company because a counterparty to a financial instrument fails to discharge its contractual obligations. Credit risk primarily arises from cash, trade and other receivables and unbilled energy revenue.

Risk management process:

The Company manages its credit risk on cash by placing it with a high credit quality financial institution. Eligible deposits per financial institution are insured to a maximum basis insurance level of \$100,000, including principal and interest by the Canada Deposit Insurance Corporation.

The Company manages its credit risk on trade and other receivables and unbilled energy revenue by collecting deposits, purchasing commercial account credit insurance, following collection policies, monitoring accounts receivable aging, and utilizing collection agencies.

The Ontario Energy Board has prescribed certain rules for the payment of deposits by customers who have shown good payment history for the previous 24-month year.

Exposure

to credit risk is limited due to the Company's large and diverse customer base. The Company has approximately 6,000 customers, the majority of which are residential. No single customer accounts for revenue in excess of 10% of total revenue. The Company does not have any material accounts receivable balances greater than 90 days outstanding.

19. Financial instruments (continued):

(a) Credit risk (continued):

The trade and other receivables by age, and the related expected credit losses, are as follows:

2025 2024

Less than 30 days \$ 2,083,296 \$ 1,445,192

31 to 60 days 453,782 57,884

61 to 90 days 585,556 24,571

Over 90 days 126,777 47,248

Total gross carrying amount 3,249,411 1,574,895

Less: allowance for expected credit losses (85,000) (85,000)

Net carrying amount \$ 3,164,411 \$ 1,489,895

Amounts over 30 days are considered overdue but are not impaired unless provided for in

Corporation's name	Business number	Tax year end Year Month Day
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allowance for expected losses.

There were no changes in the risk exposures or objectives, policies and processes from the previous year.

(b) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument might be adversely affected

by a change in the interest rates.

Changes in market interest rates may have an effect on the cash flows associated with some

financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Company is exposed to interest rate risk with respect to cash, credit facility and

promissory notes. A one percent change in interest rates would not have a material impact on the Company's net income.

There were no changes in the risk exposures or objectives, policies and processes from the previous year.

19. Financial instruments (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations

associated with financial liabilities that are settled by delivery of cash or another financial

asset. The Company enters into transactions to purchase goods and services on credit and

borrow funds from financial institutions or other creditors for which repayment is required at

various maturity dates. Liquidity risk is measured by reviewing the Company's future net cash

flows for the possibility of negative net cash flow.

The Company manages the liquidity risk resulting from its bank indebtedness, trade and

other payables, customer deposits, advances from related parties, promissory notes and

long-term debt by ensuring collection of its trade and other receivables on a timely manner

and through its access to the credit facility.

There were no changes in the risk exposures or objectives, policies and processes from the previous year.

Less than More than

1 year 1 - 2 years 2 years Total

Bank indebtedness \$ 361,246 \$ - \$ - \$ 361,246

Trade and other payables 4,680,521 - - 4,680,521

Customer deposits 125,916 119,930 - 245,846

Advances from related

parties 5,695,734 - - 5,695,734

Promissory notes 1,163,352 - - 1,163,352

\$ 12,026,769 \$ 119,930 \$ - \$ 12,146,699

20. Capital management:

The Company's objectives when managing capital are to ensure ongoing access to funding to

Corporation's name	Business number	Tax year end Year Month Day
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maintain and improve the electricity distribution system, prudent management of its capital structure with regard for recoveries of financing charges permitted by the Ontario Energy Board ("OEB") on its regulated electricity distribution business, and to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholder and benefits for other stakeholders. In order to maintain or adjust the capital structure, the Company adjusts the amount of dividends paid to shareholder or borrows funds. The Company sets its equity, long-term debt and promissory notes as capital which was unchanged from the prior year.

21. Expenses by nature:

(a) Billing and collections:

2025 2024

Bad debts \$ 46,839 \$ 57,731

Outside services 128,857 201,314

Salaries and benefits 154,382 177,211

Supplies and other 183,107 137,731

Vehicle burden allocation 1,538 3,189

\$ 514,723 \$ 577,176

(b) Operating and maintenance:

2025 2024

Materials, supplies and small tools \$ 198,345 \$ 173,400

Outside services 338,132 117,959

Salaries and benefits 601,898 631,608

Training 17,425 20,041

Vehicle burden allocation 72,091 52,716

\$ 1,227,891 \$ 995,724

(c) General and administrative:

2025 2024

Insurance \$ 72,539 \$ 59,487

Maintenance 56,244 65,082

Other administration costs 326,196 386,431

Outside services 256,245 111,950

Property taxes 32,403 31,197

Regulatory 64,518 73,004

Salaries and benefits 855,598 692,700

\$ 1,663,743 \$ 1,419,851

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# Net Income (Loss) for Income Tax Purposes

## Schedule 1

Corporation's name <b>Rideau St. Lawrence Distribution Inc.</b>	Business number <b>86485 1993 RC0001</b>	Tax year-end Year Month Day <b>2025-12-31</b>
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- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see Guide T4012, T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.
- If you need more space, attach additional schedules.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125		112,733	A1
Net income (loss) after extraordinary items from line 110 of Schedule 150		0	A2
<b>Total</b>		<b>112,733</b>	<b>A</b>
<b>Add:</b>			
Provision for income taxes – deferred	<b>102</b>	16,395	
Amortization of tangible assets	<b>104</b>	465,258	
Loss on disposal of assets	<b>111</b>	4,770	
Subtotal of additions		486,423	486,423
<b>Add:</b>			
<b>Other additions:</b>			
	1 Description	2 Amount	
	<b>605</b>	<b>295</b>	
1	CIAC addition	418,497	
	<b>Total of column 2</b>	418,497	<b>296</b> 418,497
	Subtotal of other additions	199	418,497 D
	<b>Total additions</b>	<b>500</b>	<b>904,920</b>
Amount A plus line 500		1,017,653	B
<b>Deduct:</b>			
Capital cost allowance from Schedule 8	<b>403</b>	548,270	
Subtotal of deductions		548,270	548,270
<b>Deduct:</b>			
<b>Other deductions:</b>			
	1 Description	2 Amount	
	<b>705</b>	<b>395</b>	
1	Amortization of contributions in aid of construction	50,886	
2	13(7.4) election	418,497	
	<b>Total of column 2</b>	469,383	<b>396</b> 469,383
	Subtotal of other deductions	499	469,383 E
	<b>Total deductions</b>	<b>510</b>	<b>1,017,653</b>
<b>Net income (loss) for income tax purposes</b> (amount B minus line 510)		<b>0</b>	<b>C</b>
Enter amount C on line 300 of the T2 return.			

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

Corporation's name <b>Rideau St. Lawrence Distribution Inc.</b>	Business number <b>86485 1993 RC0001</b>	Tax year-end Year Month Day <b>2025-12-31</b>
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- Corporations must use this schedule to report:
  - non-taxable dividends under section 83
  - deductible dividends under subsection 138(6)
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d)
  - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3)
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations (as defined in subsection 186(3)).
- A payer corporation is **connected** with a recipient corporation at any time in a tax year, if at that time the recipient corporation meets either of the following conditions:
  - it controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b)
  - it owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A1 – Enter "X" if dividends were received from a foreign source.  
Column F1 – Enter the code that applies to the deductible taxable dividend.

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

- Do **not** include dividends received from foreign non-affiliates.
  - Complete columns B, C, D, H, H.1, I, I.1, I.2 and L **only** if the payer corporation is **connected**.
- Important instructions to follow if the payer corporation is connected**
- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
  - When completing columns J, K and L use the **special calculations provided in the notes**.

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

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

<b>F</b> Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) <sup>1</sup>  <div style="text-align: center; background-color: black; color: white; padding: 2px;"><b>240</b></div>	F1	<b>G</b> Eligible dividends included in column F  <div style="text-align: center; background-color: black; color: white; padding: 2px;"><b>242</b></div>	<b>H</b> Total taxable dividends paid by the <b>connected</b> payer corporation (line 460 in Schedule 3 for the tax year in column D)  <div style="text-align: center; background-color: black; color: white; padding: 2px;"><b>250</b></div>	<b>H.1</b> Total eligible dividends paid by the <b>connected</b> payer corporation (line 465 in Schedule 3 for the tax year in column D)  <div style="text-align: center; background-color: black; color: white; padding: 2px;"><b>255</b></div>	<b>I</b> Dividend refund of the <b>connected</b> payer corporation (for tax year in column D) <sup>2</sup>  <div style="text-align: center; background-color: black; color: white; padding: 2px;"><b>260</b></div>
<b>I.1</b> Eligible dividend refund of the <b>connected</b> payer corporation from its eligible refundable dividend tax on hand (ERDTH) (amount CC from T2 return for the tax year in column D)  <div style="text-align: center; background-color: black; color: white; padding: 2px;"><b>265</b></div>		<b>I.2</b> Additional non-eligible dividend refund of the <b>connected</b> payer corporation from its ERDTH (amount II from T2 return for the tax year in column D)  <div style="text-align: center; background-color: black; color: white; padding: 2px;"><b>275</b></div>	<b>J</b> Part IV tax for eligible dividends. Dividends (from column G) <b>multiplied by</b> 38 1/3% <sup>3</sup>  <div style="text-align: center; background-color: black; color: white; padding: 2px;"><b>275</b></div>	<b>K</b> Part IV tax before deductions. Dividends (from column F) <b>multiplied by</b> 38 1/3% <sup>4</sup>  <div style="text-align: center; background-color: black; color: white; padding: 2px;"><b>280</b></div>	<b>L</b> Part IV tax before deductions on taxable dividends received from <b>connected</b> corporations <sup>5</sup>  <div style="text-align: center; background-color: black; color: white; padding: 2px;"><b>280</b></div>

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

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

- 1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column K (and column J, if applicable). Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
  - 2 If the **connected** payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.
  - 3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to column I **divided** by column H **multiplied** by column G.
  - 4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to column I **divided** by column H **multiplied** by column F.
  - 5 For the purpose of calculating your eligible refundable dividend tax on hand (ERDTH), Part IV tax on taxable dividends received from **connected** corporations (with a tax year starting after 2018) is equal to the sum of Part IV tax on eligible dividends and non-eligible dividends received from **connected** corporations to the extent that such dividends caused a dividend refund to those corporations from their ERDTH.
- Part IV tax before deductions on taxable dividends received from **connected** corporations for purposes of column L is the sum of (i) and (ii), where
- (i) Part IV tax on eligible dividends received from **connected** corporations is equal to amount CC of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 465 of the **connected** payer corporation, **multiplied** by column G; and
  - (ii) Part IV tax on non-eligible dividends received from **connected** corporations is equal to amount II of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 470 of the **connected** payer corporation, **multiplied** by the difference between columns F and G.

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

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

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

Subtotal (amount 2A minus line 320) ..... 2B

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

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

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

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

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

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

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

(enter amount on line 712 of the T2 return)

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

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

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

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

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

Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) ..... 2H

Amount 4C from Schedule 43 ..... 2I

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

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

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

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

	M Name of recipient corporation with which you are connected	N Business number	O Tax year-end of recipient corporation in which the dividends in column P were received YYYYMMDD	P Taxable dividends paid to recipient corporations with which you are connected	Q Eligible dividends included in column P
	<b>400</b>	<b>410</b>	<b>420</b>	<b>430</b>	<b>440</b>
1	Rideau St. Lawrence Holdings Inc.	89170 9610 RC0002	2025-12-31	115,000	
				115,000	
				(Total of column P)	(Total of column Q)

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

Total taxable dividends paid in the tax year to other than connected corporations	450	
Eligible dividends included in line 450	455	
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column P plus line 450)	460	115,000
Total eligible dividends paid in the tax year (total of column Q plus line 455)	465	
Total non-eligible taxable dividends paid in the tax year (line 460 minus line 465)	470	115,000
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)		44,083 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)		115,000
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	115,000
Dividends paid out of capital dividend account	510	
Capital gains dividends	520	
Dividends paid on shares described in subsection 129(1.2)	530	
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540	
Subtotal (total of lines 510 to 540)		4A
Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 minus amount 4A)		115,000 4B

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### Capital Cost Allowance (CCA)

Corporation's name Rideau St. Lawrence Distribution Inc.	Business number 86485 1993 RC0001	Tax year-end Year Month Day 2025-12-31
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For more information, see the section called "Capital Cost Allowance" in Guide T4012, *T2 Corporation – Income Tax*.

Unless otherwise stated, all legislative references are to the federal *Income Tax Act*.

Is the corporation electing under subsection 1101(5q) of the *Income Tax Regulations*?

**101** Yes  No

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

Are you associated in the tax year with one or more EPOPs with which you have entered into an agreement under subsection 1104(3.3) of the Regulations? .....

**105** Yes  No

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

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

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

1 Name of EPOP	2 Identification number Note 1	3 Percentage assigned under the agreement
1. <b>110</b>	<b>115</b>	<b>120</b>
<b>Total</b>		

Immediate expensing limit allocated to the corporation (see **Note 2**) .....

**125**

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

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

**Part 2 – CCA calculation**

1 Class number	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)	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP)	5 Adjustments and transfers	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	8 Proceeds of dispositions
<b>Note 3</b>			<b>Note 4</b>	<b>Note 5</b>	<b>Note 6</b>	<b>Note 7</b>	<b>Note 8</b>	<b>Note 9</b>
<b>200</b>		<b>201</b>	<b>203</b>	<b>232</b>	<b>205</b>	<b>221</b>	<b>222</b>	<b>207</b>
1. 1		2,395,445						0
2. 10		36,414	32,153					0
3. 8		28,674	21,156					0
4. 45		164						0
5. 46		7						0
6. 47		6,564,444	1,074,269					0
7. 50		8,840						0
<b>Totals</b>		<b>9,033,988</b>	<b>1,127,578</b>					

1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4)	10 UCC (column 2 plus column 3 plus or minus column 5)	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4)	12 Immediate expensing	13 Cost of acquisitions on remainder of Class (column 3 minus column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56	15 Remaining UCC (column 10 minus column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 plus column 6 minus column 13 plus column 14 minus column 7) (if negative, enter "0")
		<b>Note 9</b>	<b>Note 10</b>	<b>Note 11</b>	<b>Note 12</b>		<b>Note 13</b>		
		<b>234</b>	<b>235</b>	<b>236</b>	<b>238</b>		<b>225</b>		
1. 1			2,395,445					2,395,445	
2. 10			68,567			32,153	32,153	68,567	
3. 8			49,830			21,156	21,156	49,830	
4. 45			164					164	
5. 46			7					7	
6. 47			7,638,713			1,074,269	1,074,269	7,638,713	
7. 50			8,840					8,840	
<b>Totals</b>			<b>10,161,566</b>			<b>1,127,578</b>	<b>1,127,578</b>	<b>10,161,566</b>	

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

1 Class number	Description	17 Net capital cost additions of AIP and property included in Classes 54 to 56 acquired during the year (column 14 <b>minus</b> column 16) (if negative, enter "0")	18 UCC adjustment for AIP and property included in Classes 54 to 56 acquired during the year (column 17 <b>multiplied</b> by the relevant factor) <b>Note 14</b>	19 UCC adjustment for property acquired during the year other than AIP and property included in Classes 54 to 56 (0.5 <b>multiplied</b> by the result of column 13 <b>minus</b> column 14 <b>minus</b> column 6 <b>plus</b> column 7 <b>minus</b> column 8) (if negative, enter "0") <b>Note 15</b>	20 CCA rate % <b>Note 16</b>	21 Recapture of CCA <b>Note 17</b>	22 Terminal loss <b>Note 18</b>	23 CCA (for declining balance method, the result of column 15 <b>plus</b> column 18 <b>minus</b> column 19, <b>multiplied</b> by column 20, or a lower amount, <b>plus</b> column 12) <b>Note 19</b>	24 UCC at the end of the year (column 10 <b>minus</b> column 23)
				<b>224</b>	<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
1.	1				4	0	0	95,818	2,299,627
2.	10	32,153			30	0	0	20,570	47,997
3.	8	21,156			20	0	0	9,966	39,864
4.	45				35	0	0	74	90
5.	46				30	0	0	2	5
6.	47	1,074,269			8	0	0	416,978	7,221,735
7.	50				55	0	0	4,862	3,978
<b>Totals</b>		<b>1,127,578</b>						<b>548,270</b>	<b>9,613,296</b>

Enter the total of column 21 on line 107 of Form T2 SCH 1, *Net Income (Loss) for Income Tax Purposes*.

Enter the total of column 22 on line 404 of Form T2 SCH 1.

Enter the total of column 23 on line 403 of Form T2 SCH 1.

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

**Note 4:** Include any property acquired in previous years that has now become available for use, net of any government assistance received or entitled to be received in the year from a government, municipality or other public authority, or a reduction of capital cost after the application of section 80. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, *General Discussion of Capital Cost Allowance*, for exceptions to the 50% rule. Do not include any amount in column 3 in respect of property included in column 5 (see note 6). See Guide T4012 for more information about the cost of acquisitions during the year.

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

**Note 6:** Enter in column 5, "Adjustments and transfers," amounts that increase or reduce the UCC (column 10). Items that increase the UCC include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the UCC (show amounts that reduce the UCC in brackets) include assistance received or receivable during the year for a property, subsequent to its disposition, if such assistance would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f). See Guide T4012 for other examples of adjustments and transfers to include in column 5. Also include property acquired in a non-arm's length transaction [other than by virtue of a right referred to in paragraph 251(5)(b)] if the property was a depreciable property acquired by the transferor at least 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

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

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

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

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

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

Note 9: For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).

If the cost of a zero-emission passenger vehicle (or a passenger vehicle that was, at any time, a DIEP) exceeds the prescribed amount and it is disposed of to a person or partnership with which you deal at arm's length, the proceeds of disposition will be adjusted based on a factor equal to the prescribed amount as a proportion of the actual cost of the vehicle. The actual cost of the vehicle will be adjusted for payment or repayment of government assistance.

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

Note 11: The amount to enter in column 11 must not exceed the amount in column 10. If it does, enter in column 11 the amount from column 10. If the amount determined in column 10 is zero or a negative amount, enter "0". The only amounts incurred before April 19, 2021, to be included in this column are certain inventory purchases from arm's length persons or partnerships where the conditions in Paragraphs 1100(0.3)(a) to (c) of the Regulations are met.

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

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

The immediate expensing limit has to be prorated if your tax year is less than 365 days. You cannot carry forward any unused amount of the immediate expensing limit.

- UCC of the DIEP: total of column 11

You have to maintain the CCPC status throughout the relevant tax year in order to claim the immediate expensing.

Note 13: An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018, and that became available for use before 2028.

Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2028.

Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that are acquired after March 1, 2020, and that became available for use before 2028.

See Guide T4012 for more information.

Note 14: The relevant factors for property of a class in Schedule II, that is an AIIP or included in Classes 54 to 56, available for use respectively before 2024 or in 2024 are:

- 2 1/3 or 1 1/2 for property in Classes 43.1, 54, and 56
- 1 1/2 or 7/8 for property in Class 55
- 1 or 1/2 for property in Classes 43.2 and 53
- 0 for property in Classes 12, 13, 14, 15, and 59, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 19 for additional information) and
- 0.5 or 0 for all other property that is an AIIP

If the tax year begins in 2023 and ends in 2024, the relevant factor is determined under paragraph 1100(2.01)(a) of the Regulations.

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

Note 15: The UCC adjustment for property acquired during the year (also known as the half-year rule or 50% rule) does not apply to certain property (including AIIP and property included in Classes 54 to 56). For special rules and exceptions, see Income Tax Folio S3-F4-C1, *General Discussion of Capital Cost Allowance*.

Note 16: Enter a rate only if you are using the declining balance method. For any other method (for example, the straight-line method, where calculations are always based on the cost of acquisitions), enter "N/A". Then enter the amount you are claiming in column 23.

Note 17: If the amount in column 10 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 10 in column 21 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1. However, they do apply to a passenger vehicle that was, at any time, a DIEP.

Note 18: If no property is left in the class at the end of the tax year and there is still a positive amount in the column 10, you have a terminal loss. If applicable, enter the positive amount from column 10 in column 22. The terminal loss rules do not apply to:

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

Note 19: If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See Guide T4012 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: if the capital cost of the property was incurred before 2024, 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), and in any other case, the amount for the year calculated in accordance with Schedule III of the Regulations
- Class 14: the lesser of 150% (if the property becomes available for use in the year and before 2024) or 125% (if the property becomes available for use in the year and after 2023) 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% (if the property is acquired in the year and before 2024) or 125% (if the property is acquired in the year and after 2023) of an amount calculated 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% (for property acquired in the year and before 2024) or 33 1/3% (in any other case) of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraphs 1100(1)(y.2) (for single mine properties) and 1100(1)(ya.2) (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive

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

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**RELATED AND ASSOCIATED CORPORATIONS**

Name of corporation Rideau St. Lawrence Distribution Inc.	Business Number 86485 1993 RC0001	Tax year end Year Month Day 2025-12-31
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- 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*.

	<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>	<b>550</b>	<b>600</b>	<b>650</b>	<b>700</b>
	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.	Rideau St. Lawrence Holdings		89170 9610 RC0002	1					
2.	Rideau St. Lawrence Services Inc		86485 1795 RC0001	3					
3.	Rideau St. Lawrence Utilities Inc		89187 5817 RC0001	3					

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

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

T2 SCH 9 (11)



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

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

- Column 1:** Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.
- Column 2:** Provide the business number for each corporation (if a corporation is not registered, enter "NR").
- Column 3:** Enter the association code from the list below that applies to each corporation:
- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
  - 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
  - 3 – Non-CCPC that is a **third corporation**
  - 4 – Associated non-CCPC
  - 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28
- Column 4:** Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).
- Column 5:** Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.
- Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.  
Ensure that the total at line A does not exceed \$500,000.

### Allocating the business limit

Date filed (do not use this area) .....	<b>025</b>	Year Month Day
Enter the calendar year the agreement applies to .....	<b>050</b>	Year 2025
Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? .....	<b>075</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	1 Name of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	<b>100</b>	<b>200</b>	<b>300</b>		<b>350</b>	<b>400</b>
1	Rideau St. Lawrence Distribution Inc.	86485 1993 RC0001	1	500,000		
2	Rideau St. Lawrence Holdings	89170 9610 RC0002	1	500,000		
3	Rideau St. Lawrence Services Inc	86485 1795 RC0001	1	500,000		
4	Rideau St. Lawrence Utilities Inc	89187 5817 RC0001	1	500,000	100.0000	500,000
	<b>Total</b>				<b>100.0000</b>	<b>500,000</b> 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.

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## Taxable Capital Employed in Canada – Large Corporations

Corporation's name <b>Rideau St. Lawrence Distribution Inc.</b>	Business number <b>86485 1993 RC0001</b>	Tax year-end Year Month Day <b>2025-12-31</b>
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- 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	<b>101</b>		
Capital stock (or members' contributions if incorporated without share capital)	<b>103</b>	2,511,123	
Retained earnings	<b>104</b>	2,034,378	
Contributed surplus	<b>105</b>		
Any other surpluses	<b>106</b>		
Deferred unrealized foreign exchange gains	<b>107</b>		
All loans and advances to the corporation	<b>108</b>	6,859,086	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	<b>109</b>		
Any dividends declared but not paid by the corporation before the end of the year	<b>110</b>		
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	<b>111</b>	2,496,555	
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)	<b>112</b>		
Subtotal (add lines 101 to 112)		<b>13,901,142</b>	<b>13,901,142 A</b>

**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) 13,901,142 A

**Deduct** the following amounts:

Deferred tax debit balance at the end of the year ..... **121** 58,367

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) 58,367 ▶ 58,367 B

**Capital for the year** (amount A minus amount B) (if negative, enter "0") ..... **190** 13,842,775

**Part 2 – Investment allowance**

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

A share of another corporation ..... **401** \_\_\_\_\_

A loan or advance to another corporation (other than a financial institution) ..... **402** \_\_\_\_\_

A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution) ..... **403** \_\_\_\_\_

Long-term debt of a financial institution ..... **404** \_\_\_\_\_

A dividend payable on a share of the capital stock of another corporation ..... **405** \_\_\_\_\_

A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1) ..... **406** \_\_\_\_\_

An interest in a partnership (see note 2 below) ..... **407** \_\_\_\_\_

**Investment allowance for the year** (add lines 401 to 407) ..... **490** \_\_\_\_\_

**Notes:**

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

**Part 3 – Taxable capital**

Capital for the year (line 190) ..... 13,842,775 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** 13,842,775

**Part 4 – Taxable capital employed in Canada**

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	13,842,775	x	Taxable income earned in Canada	610	=	Taxable capital employed in Canada	690	13,842,775
				1,000				1,000

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

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

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

**Deduct** the following amounts:

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

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

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

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

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

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

**Part 5 – Calculation for purposes of the small business deduction**

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

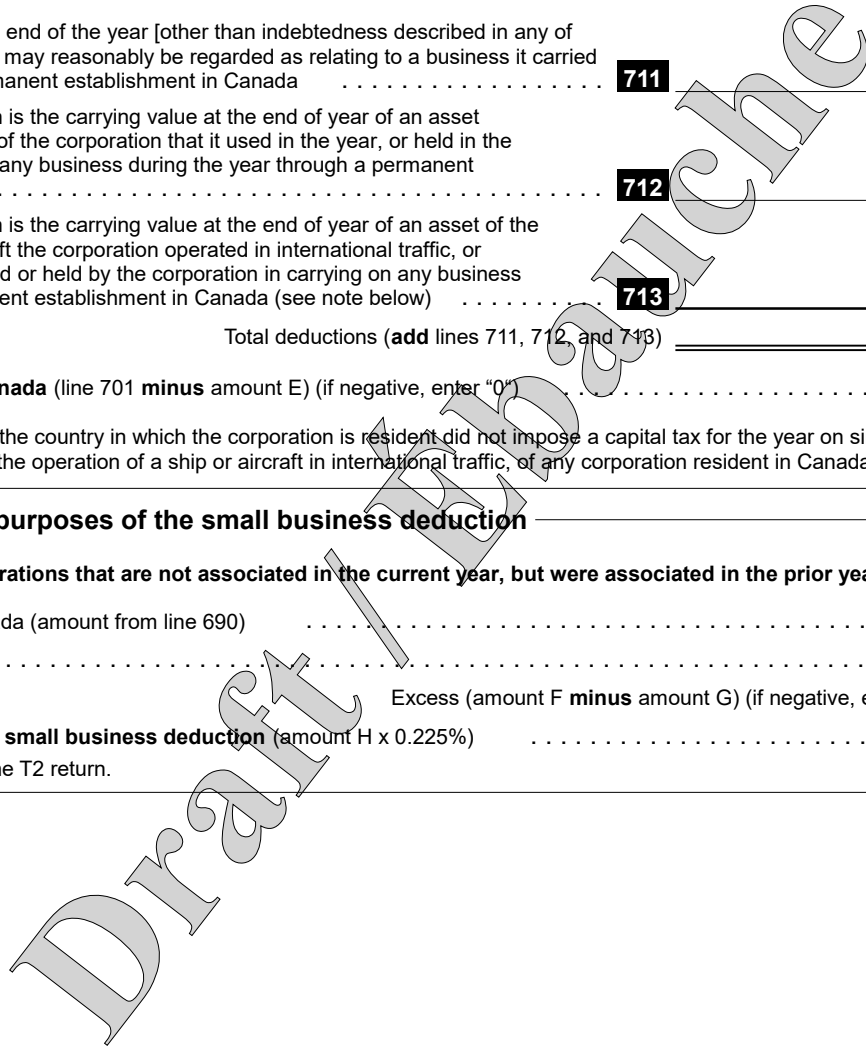
Taxable capital employed in Canada (amount from line 690) . . . . . F

**Deduct:** . . . . . 10,000,000 G

Excess (amount F minus amount G) (if negative, enter "0") \_\_\_\_\_ H

**Calculation for purposes of the small business deduction** (amount H x 0.225%) . . . . . I

Enter this amount at line 415 of the T2 return.



**Shareholder Information**

Corporation's name <b>Rideau St. Lawrence Distribution Inc.</b>	Business number <b>86485 1993 RC0001</b>	Tax year-end Year Month Day <b>2025-12-31</b>
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- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (T followed by 8 digits)	Percentage common shares	Percentage preferred shares
	<b>100</b>	<b>200</b>	<b>300</b>	<b>350</b>	<b>400</b>	<b>500</b>
1	Rideau St. Lawrence Holdings Inc.	891709610RC0002			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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### Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name Rideau St. Lawrence Distribution Inc.	Business number 86485 1993 RC0001	Tax year-end Year Month Day 2025-12-31
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- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, General Rate Income Pool (GRIP) Calculation, or Schedule 54, Low Rate Income Pool (LRIP) Calculation, whichever is applicable.
- File the schedules with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

**Do not use this area**

#### Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year <b>not included</b> in Schedule 3		
Taxable dividends paid in the tax year <b>included</b> in Schedule 3		115,000
Total taxable dividends paid in the tax year	<b>100</b>	115,000
Total eligible dividends paid in the tax year		<b>150</b>
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")		<b>160</b>
Excessive eligible dividend designation (line 150 <b>minus</b> line 160)		A
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *		<b>180</b>
Subtotal (amount A <b>minus</b> line 180)		B
<b>Part III.1 tax on excessive eligible dividend designations – CCPC or DIC</b> (amount B multiplied by 20 %)		<b>190</b>

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

#### Part 2 – Other corporations

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

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

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