

EXHIBIT 6 – REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY

2027 Cost of Service

Ottawa River Power Corporation
EB-2026-0066

TABLE OF CONTENTS

6.1	Calculation of Revenue Requirement.....	4
6.1.1	Determination of Net Utility Income	4
6.1.2	Proposed Revenue Requirement.....	8
6.1.3	OM&A.....	9
6.1.4	Depreciation Expense	9
6.1.5	Proposed PILs	9
6.1.5.1	Accelerated Investment Incentive Program	12
6.1.5.2	Non- Recoverable and Disallowed Expenses	12
6.1.5.3	PILs Integrity Check.....	12
6.1.6	Statement of Rate Base and Return on Rate Base.....	13
6.1.7	Overview of Other Revenue	14
6.1.7.1	Other Revenue Variance Analysis	16
6.1.7.2	Proposed Specific Service Charges	23
6.1.8	Utility Income at Proposed Revenue Requirement	24
6.1.9	Revenue Requirement Trend	25
6.2	Revenue Deficiency or Surplus	27
6.2.1	Calculation of Revenue Deficiency or Surplus.....	27
6.2.2	Causes of Revenue Deficiency or Surplus	29
6.2.3	Impact of implementation of MIFRS on Revenue Deficiency or Surplus	31
6.3	Appendices.....	32
6.3.1	Appendix 6A – 2025 PILs and Exempt Returns	33

LIST OF TABLES

Table 1 - Distribution Revenues at Current Rates – 2022 Volumes.....	5
Table 2 - Distribution Revenues at Current Rates – 2027 Volumes.....	6
Table 3 - Distribution Revenues at Proposed Rates – 2027 Volumes.....	7
Table 4 - Test Year Revenue Requirement.....	8
Table 5 - Test Year Operating Costs.....	9
Table 6 - Property Taxes.....	10
Table 7 - Tax provision for the test year.....	11
Table 8 - Statement of Rate Base.....	13
Table 9 – OEB Appendix 2-H.....	15
Table 10 – Variance Analysis of Other Operating Revenues.....	16
Table 11 - Variance Analysis of Other Operating Revenues.....	17
Table 12 - Variance Analysis of Other Operating Revenues.....	18
Table 13 - Variance Analysis of Other Operating Revenues.....	19
Table 14 - Variance Analysis of Other Operating Revenues.....	21
Table 15 - Variance Analysis of Other Operating Revenues.....	22
Table 16 - Utility Income under Proposed Revenue Requirement.....	24
Table 17 - Trend in Revenue Requirement.....	25
Table 18 - Variance Analysis of Revenue Requirement.....	26
Table 19 - Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency.....	27
Table 20 - Revenue Deficiency.....	28
Table 21 – Differences in Revenue Requirement from 2022 Cost of Service.....	29

LIST OF FIGURES

Figure 1 - Graph of OEB Appendix 2-H.....	15
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6.1 CALCULATION OF REVENUE REQUIREMENT

6.1.1 DETERMINATION OF NET UTILITY INCOME

Ottawa River Power Corporation's (ORPC) current rates were approved by the Board with an effective date of May 1, 2026 through an Incentive Rate Mechanism (IRM) application (EB-2025-0013). Existing revenues are based on existing Board approved rates, which are used in calculating utility's income, and are comprised of distribution revenue and exclude pass-through charges such as LV Charges and Transmission Charges and well as balances in deferral and variance accounts.

The tables below illustrate distribution revenues at both current rates effective May 1st, 2026, and proposed rates using forecasted 2027 kWh consumption and demand kW volumes.

Table 1 - Distribution Revenues at Current Rates – 2022 Volumes

<u>2026 Rates at 2027 Load</u>								
Customer Class Name	Bridge Year Projected Revenue from Existing Variable Charges							
	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	79,466,998	\$0			\$0	\$0
GS<50 kW	\$0.0163	kWh	30,190,015	\$492,097			\$0	\$492,097
GS 50 to 4999 kW	\$3.9863	kW	219,896	\$876,571	\$(0.60)	30,565	\$(18,339)	\$858,232
Sentinel Lighting	\$13.4466	kW	492	\$6,616			\$0	\$6,616
Street Lighting	\$16.3147	kW	3,103	\$50,625			\$0	\$50,625
Unmetered Scattered Load	\$0.0096	kWh	609,268	\$5,849			\$0	\$5,849
Total				\$1,431,758			\$(18,339)	\$1,413,419
<u>2026 Rates at 2027 Load</u>								
Customer Class Name	Bridge Year Projected Revenue from Existing Fixed Charges							
	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$29.81	10,191	\$3,645,525	\$0	\$3,645,525	83.33%	0.00%	62.98%
GS<50 kW	\$27.68	1,264	\$419,850	\$492,097	\$911,947	9.60%	34.82%	15.76%
GS 50 to 4999 kW	\$104.16	151	\$188,738	\$858,232	\$1,046,970	4.31%	60.72%	18.09%
Sentinel Lighting	\$4.37	166	\$8,705	\$6,616	\$15,321	0.20%	0.47%	0.26%
Street Lighting	\$2.98	2,949	\$105,456	\$50,625	\$156,081	2.41%	3.58%	2.70%
Unmetered Scattered Load	\$28.65	19	\$6,532	\$5,849	\$12,381	0.15%	0.41%	0.21%
Total			\$4,374,806	\$1,413,419	\$5,788,225			

Current Rates were OEB approved for May 1st, 2026, as per OEB Final Rate Order for EB-2025-0013 (March 19, 2026)

Table 2 - Distribution Revenues at Current Rates – 2027 Volumes

<u>2026 Rates at 2027 Load</u>								
Customer Class Name	Test Year Projected Revenue from Existing Variable Charges							
	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	92,832,140	\$0			\$0	\$0
GS<50 kW	\$0.0163	kWh	30,243,420	\$492,968			\$0	\$492,968
GS 50 to 4999 kW	\$3.9863	kW	196,085	\$781,654	\$(0.6000)	27,420	\$(16,452)	\$765,202
Sentinel Lighting	\$13.4466	kW	415	\$5,580			\$0	\$5,580
Street Lighting	\$16.3147	kW	2,837	\$46,285			\$0	\$46,285
Unmetered Scattered Load	\$0.0096	kWh	598,467	\$5,745			\$0	\$5,745
Total				\$1,332,232			\$(29,413)	\$1,302,819
<u>2026 Rates at 2027 Load</u>								
Customer Class Name	Test Year Projected Revenue from Existing Fixed Charges							
	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$29.81	10,600	\$3,791,665	\$0	\$3,791,665	84.26%	0.00%	65.20%
GS<50 kW	\$27.68	1,267	\$420,908	\$492,968	\$913,876	9.35%	37.47%	15.71%
GS 50 to 4999 kW	\$104.16	133	\$166,015	\$765,202	\$931,217	3.69%	58.16%	16.01%
Sentinel Lighting	\$4.37	176	\$9,220	\$5,580	\$14,800	0.21%	0.42%	0.25%
Street Lighting	\$2.98	2,948	\$105,435	\$46,285	\$151,720	2.34%	3.52%	2.61%
Unmetered Scattered Load	\$28.65	19	\$6,532	\$5,745	\$12,277	0.15%	0.44%	0.21%
Total			\$4,499,775	\$1,315,780	\$5,815,556			

Current Rates were OEB approved for May 1st, 2026, as per OEB Final Rate Order for EB-2025-0013 (March 19, 2026)

Table 3 - Distribution Revenues at Proposed Rates – 2027 Volumes

Test Year Projected Revenue from Proposed Variable Charges								
<i>Customer Class Name</i>	Variable Distribution Rate	per	Test Year Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance \$'s	Net Variable Revenue
<i>Residential</i>	\$0.0000	kWh	92,832,140	\$0			\$0	\$0
<i>GS<50 kW</i>	\$0.0183	kWh	30,243,420	\$553,455			\$0	\$553,455
<i>GS 50 to 4999 kW</i>	\$5.7878	kW	196,085	\$1,134,899	\$(0.6000)	27,420	\$(16,452)	\$1,118,447
<i>Sentinel Lighting</i>	\$17.1107	kW	415	\$7,099			\$0	\$7,099
<i>Street Lighting</i>	\$20.0048	kW	2,837	\$56,758			\$0	\$56,758
<i>Unmetered Scattered Load</i>	\$0.0142	kWh	598,467	\$8,498			\$0	\$8,498
Total				\$1,760,708			\$(16,452)	\$1,744,256
2027 Rates at 2027 Load								
Test Year Projected Revenue from Proposed Fixed Charges								
<i>Customer Class Name</i>	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
<i>Residential</i>	\$36.52	10,600	\$4,645,140	\$0	\$4,645,140	86.35%	0.00%	65.21%
<i>GS<50 kW</i>	\$27.68	1,267	\$420,908	\$553,455	\$974,363	7.82%	31.73%	13.68%
<i>GS 50 to 4999 kW</i>	\$104.16	133	\$166,017	\$1,118,447	\$1,284,464	3.09%	64.12%	18.03%
<i>Sentinel Lighting</i>	\$5.56	176	\$11,733	\$7,099	\$18,832	0.22%	0.41%	0.26%
<i>Street Lighting</i>	\$3.65	2,948	\$129,136	\$56,758	\$185,894	2.40%	3.25%	2.61%
<i>Unmetered Scattered Load</i>	\$28.65	19	\$6,532	\$8,498	\$15,030	0.12%	0.49%	0.21%
Total			\$5,379,466	\$1,744,256	\$7,123,722			

6.1.2 PROPOSED REVENUE REQUIREMENT

The 2027 Base Revenue Requirement, which represents the amount of money a utility must receive from its customers to cover its day-to-day operating costs, taxes, interest paid on debts owed to investors and a deemed return (profit) is calculated to be \$7,125,476.

The table below presents ORPC's proposed 2027 Revenue Requirement as calculated in the OEB's Revenue Requirement Work Form which is being filed in conjunction with this application.

Table 4 - Test Year Revenue Requirement

<i>Particular</i>	2027	Reference
<i>OM&A Expenses</i>	\$5,215,106	6.1.2 / Exhibit 4
<i>Depreciation Expense</i>	\$977,565	6.1.3 / Exhibit 2
<i>Property Taxes</i>	\$0	
<i>Deemed Interest Expense</i>	\$578,262	5.3.3 / Exhibit 5
<i>Total Distribution Expenses</i>	\$6,771,008	
<i>Regulated Return On Capital</i>	\$819,130	6.1.6 / Exhibit 5
<i>Grossed up PILs</i>	\$0	6.1.5
<i>Service Revenue Requirement</i>	\$7,590,063	
<i>Less: Revenue Offsets</i>	\$464,587	6.1.7
<i>Base Revenue Requirement</i>	\$7,125,476	

ORPC confirms that the OEB's 2027 Revenue Requirement Workform (RRWF) accurately reflects its proposed rates for the 2027 Test Year and therefore there is no requirement for the Applicant to file its' rate generator model.

6.1.3 OM&A

ORPC's 2027 Test Year operating costs are projected to be \$5,215,106 which represents an increase of \$1,591,712 from its 2022 Cost of Service or 44%. A summary is presented in Table 1 - Total OM&A below. Details on OM&A are presented in Exhibit 4.

Table 5 - Test Year Operating Costs

	2022 Board Approved	2027	Diff
<i>Operations</i>	\$872,757	\$1,084,238	\$211,481
<i>Maintenance</i>	\$576,747	\$755,925	\$179,178
<i>Billing and Collecting</i>	\$934,527	\$1,232,010	\$297,483
<i>Community Relations</i>	\$42,318	\$38,080	\$(4,238)
<i>Administrative and General</i>	\$1,197,045	\$2,104,854	\$907,809
Total	\$3,623,394	\$5,215,106	\$1,591,712

6.1.4 DEPRECIATION EXPENSE

Depreciation Expenses for the Test Year are determined to be \$977,565 and are presented at Exhibit 2.

6.1.5 PROPOSED PILS

ORPC is required to make payments in lieu of income taxes ("taxes") based on its taxable income. ORPC files Federal/Provincial tax returns annually.

There have been no special circumstances that would require specific tax planning measures to minimize taxes payable.

There are non-utility activities included in ORPC's financial results. Therefore, the amount of PILs payable is calculated accordingly in the proposed allowance to be included in the revenue requirement.

ORPC has used the OEB PILs Tax Work Form model to calculate the amount of taxes for inclusion in its 2027 rates. PILs have been calculated under MIFRS accounting policies. The PILS model was completed by ORPC's accounting department. ORPC's PILs for the 2027 Test Year, under the new accounting policies, amount to \$0 due to loss carry-forwards from prior years. ORPC expects these losses to be fully utilized by the end of its 2029 fiscal year.

The income tax sheet from the Revenue Requirement Work form is presented on the next page, and the PILs model is being filed in conjunction with this application. Actual most recent federal and provincial tax returns are presented in Appendix A of this Exhibit.

ORPC pays the following property taxes which are set by the Towns and for which ORPC has no control over. These taxes are included in OM&A accounts and are not separated in revenue requirement tables:

Table 6 - Property Taxes

Property Taxes	
2022	\$60,121
2023	\$61,666
2024	\$64,897
2025	\$71,113
2026	\$73,744
2027	\$75,631

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Table 7 - Tax provision for the test year

Particulars	Application
<u>Determination of Taxable Income</u>	
<i>Utility net income before taxes</i>	\$819,130
<i>Adjustments required to arrive at taxable utility income</i>	\$(819,130)
<i>Taxable income</i>	\$0
<u>Calculation of Utility income Taxes</u>	
<i>Income taxes</i>	\$0
<i>Capital taxes</i>	\$0
<i>Total taxes</i>	\$0
<i>Gross-up of Income Taxes</i>	\$0
<i>Grossed-up Income Taxes</i>	\$0
<i>PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)</i>	\$0
<i>Other tax Credits</i>	\$0
<u>Tax Rates</u>	
<i>Federal tax (%)</i>	11.5%
<i>Provincial tax (%)</i>	15.0%
<i>Total tax rate (%)</i>	26.5%

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3 ORPC confirms that it has use of the stand-alone principle when determining PILs amounts. ORPC
4 has verified the following information.

- 5 ✓ it has exercised sound tax planning and that for rate setting purposes, it maximized tax
6 credits and take the maximum deductions allowed if it made sense for the utility to do so.
7 ✓ It has excluded from PILs calculations both when they were created, and when they were
8 collected, regardless of the actual tax treatment accorded those amounts.

- ✓ A copy of the most recent Federal and Provincial tax is presented in Appendix 6A of this Exhibit.
- ✓ Detailed calculations of Income Tax or PILs are shown in the OEB PILs model filed along with this application.
- ✓ Adjustments to PILs were required for the purpose of calculating accelerated CCA. Supporting tables and explanations are provided below. There are no other adjustments (e.g., Tax credits, CCA adjustments) for the Historical, Bridge and Test Years and as such, no other supporting schedules and calculations and explanations for “other additions” and “other deductions” were required.

6.1.5.1 ACCELERATED INVESTMENT INCENTIVE PROGRAM

ORPC confirms that the Accelerated Investment Incentive Program (“AIIP”) has been applied to eligible capital additions in its tax filings and that accelerated CCA has been reflected in the calculation of PILs in this Application. ORPC has maintained its approach to the application of AIIP during the current rate term. ORPC further confirms that no smoothing mechanism was applied to PILs expenses or approved as part of its last Cost of Service proceeding. Accordingly, the limitation regarding the use of Account 1592 associated with an approved PILs smoothing mechanism is not applicable to ORPC.

ORPC is not proposing or applying for a smoothing mechanism in its current application.

6.1.5.2 NON- RECOVERABLE AND DISALLOWED EXPENSES

ORPC confirms that expenses that are 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.

6.1.5.3 PILS INTEGRITY CHECK

ORPC confirms to the best of its knowledge that the following integrity checks have been completed in its application. In completing the PILs model, ORPC confirms that;

- ✓ the depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application;
- ✓ the capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base section for historical, bridge and test years;
- ✓ Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31st historic year UCC that agrees with the opening bridge year UCC at January 1st;
- ✓ The CCA deductions in the application's PILs tax model for historical, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application;
- ✓ Loss carry-forwards, if any, from the tax returns (Schedule 4) agree with those disclosed in the application;
- ✓ CCA is maximized even if there are tax loss carryforwards; and
- ✓ A statement is included in the application as to when the losses, if any, will be fully utilized.

6.1.6 STATEMENT OF RATE BASE AND RETURN ON RATE BASE

The table below shows the Statement of Rate Base:

Table 8 - Statement of Rate Base

	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$12,588,172	4.40%	\$553,805
Short-term Debt	4.00%	\$899,155	2.72%	\$24,457
Total Debt	60.00%	\$13,487,327	4.29%	\$578,262
Equity				
Common Equity	40.00%	\$8,991,551	9.11%	\$819,130
Preferred Shares	0.00%	\$0	0%	\$0
Total Equity	40.00%	\$8,991,551	9.11%	\$819,130
Total	100.00%	\$22,478,878	6.22%	\$1,397,392

In preparing its' 2027 Cost of Service application, ORPC has used the most recent published allowed return on equity (ROE) rate of 9.11% as per the OEB's prescribed Cost of Capital Parameters published for 2026 Cost of Service applications¹.

ORPC acknowledges the OEB will update the ROE for 2027 at a later date, and therefore the utility commits to updating its' Application to reflect the OEB's updated Cost of Capital Parameters for 2027 applications and as new information is issued.

6.1.7 OVERVIEW OF OTHER REVENUE

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

Other Distribution Revenues include items such as:

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

ORPC confirms that its historical Account 4405 includes interest associated with deferral and variance accounts with the exception of the proposed amount for the test year which does not include such interest.

A detailed breakdown by USoA account shown in the OEB Appendix 2-H is presented on the next page including year-over-year.

¹ OEB "2026 Cost of Capital Parameters" letter (October 31, 2025), Value for 2026 rate change applications ROE 9.11%

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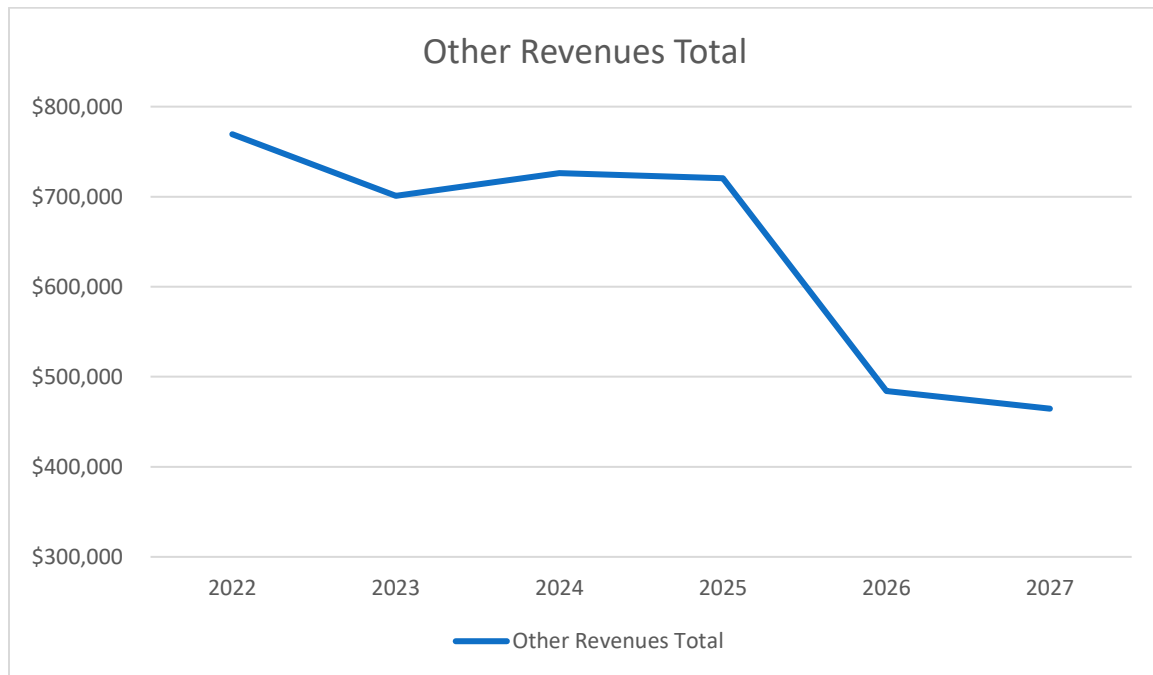
Table 9 – OEB Appendix 2-H

		2022	2022	2023	2024	2025	2026	2027
	USoA Description	Board Approved						
4235	4235-Miscellaneous Service Revenues	\$(49,000)	\$(42,513)	\$(41,190)	\$(37,736)	\$(41,452)	\$(43,300)	\$(43,300)
4225	4225-Late Payment Charges	\$(66,987)	\$(47,650)	\$(54,701)	\$(65,420)	\$(56,017)	\$(59,042)	\$(61,227)
4082	4082-Retail Services Revenues	\$(14,635)	\$(10,302)	\$(10,402)	\$(14,227)	\$(14,176)	\$(12,351)	\$(12,587)
4084	4084-Service Transaction Requests (STR) Revenues	\$(19)	\$(9)	\$(6)	\$(15)	\$(16)	\$(12)	\$(12)
4086	4086-SSS Administration Revenue	\$(33,777)	\$(34,010)	\$(34,301)	\$(33,518)	\$(34,756)	\$(34,942)	\$(35,114)
4210	4210-Rent from Electric Property	\$(98,440)	\$(120,375)	\$(101,884)	\$(72,084)	\$(179,063)	\$(114,951)	\$(119,199)
4355	4355-Gain on Disposition of Utility and Other Property	\$0	\$(450)	\$(147,500)	\$(9,506)	\$0	\$0	\$0
4375	4375-Revenues from Non-Utility Operations	\$(400,000)	\$(581,030)	\$(394,162)	\$(543,268)	\$(391,458)	\$(484,953)	\$(502,230)
4380	4380-Expenses of Non-Utility Operations	\$340,000	\$219,343	\$285,270	\$316,473	\$155,243	\$317,705	\$336,082
4390	4390-Miscellaneous Non-Operating Income	\$(1,900)	\$(41,511)	\$(3,926)	\$(27,825)	\$(18,578)	\$(3,000)	\$(3,000)
4405	4405-Interest and Dividend Income	\$(15,000)	\$(110,828)	\$(198,092)	\$(238,912)	\$(140,312)	\$(49,200)	\$(24,000)
	Total	\$(339,757)	\$(769,336)	\$(700,894)	\$(726,038)	\$(720,586)	\$(484,046)	\$(464,587)

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Figure 1 - Graph of OEB Appendix 2-H



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6.1.7.1 OTHER REVENUE VARIANCE ANALYSIS

The tables below present year-over-year variances of other operating revenues:

Table 10 – Variance Analysis of Other Operating Revenues

2022 Board Approved – 2022 Actuals

		2022	2022	\$	%
	USoA Description	Board Approved			
4082	4082-Retail Services Revenues	(14,635)	(10,302)	4,333	(30)%
4084	4084-Service Transaction Requests (STR) Revenues	(19)	(9)	10	(53)%
4086	4086-SSS Administration Revenue	(33,777)	(34,010)	(233)	1%
4210	4210-Rent from Electric Property	(98,440)	(120,375)	(21,935)	22%
4225	4225-Late Payment Charges	(66,987)	(47,650)	19,337	(29)%
4235	4235-Miscellaneous Service Revenues	(49,000)	(42,513)	6,487	(13)%
4355	4355-Gain on Disposition of Utility and Other Property		(450)	(450)	0%
4375	4375-Revenues from Non-Utility Operations	(400,000)	(581,030)	(181,030)	45%
4380	4380-Expenses of Non-Utility Operations	340,000	219,343	(120,657)	(35)%
4390	4390-Miscellaneous Non-Operating Income	(1,900)	(41,511)	(39,611)	2085%
4405	4405-Interest and Dividend Income	(15,000)	(110,828)	(95,828)	639%
	Total	(339,758)	(769,335)	(429,577)	126%

4375-Revenues from Non-Utility Operations

This category primarily captures non-regulated activities performed with ORPC's affiliate through its shared services agreement. The 2022 revenues included retroactive 2021 rent and billing services fee adjustments to the affiliate. ORPC also began recording revenues from billing services performed for other LDCs in this grouping contributing to \$52,094 of the increase.

4380-Expenses from Non-Utility Operations

Non-regulated expenses, which are composed of time, materials, vehicles and other direct expenses performed for affiliate activities, saw a decrease of \$120,657 as affiliate projects were slowly returning to their normal pace following the pandemic.

4405-Interest and Dividend Income

The increase in Interest Income reflects ORPC's changeover from Scotiabank to BMO as their banking services provider which saw increased bank charges but also an increase in interest income. Additionally, the BMO prime lending rate during this time increased from 2.45% on January 1, 2021, to 6.45% by December 31, 2022, which in turn increased ORPC's interest income. ORPC's average closing monthly bank balance was \$3.3M in 2022 primarily due to the Hydro One overcalculation of generation payments to ORPC as reported by ORPC in case EB-2023-0047 which saw ORPC receiving additional payments and unexplained Global Adjustment and Cost of Power variance account differences ultimately preventing disposition due to a formula error in Hydro One's metering system.

Table 11 - Variance Analysis of Other Operating Revenues

2022 Actuals – 2023 Actuals

		2022	2023	\$	%
	USoA Description				
4082	4082-Retail Services Revenues	(10,302)	(10,402)	(100)	1%
4084	4084-Service Transaction Requests (STR) Revenues	(9)	(6)	3	(33)%
4086	4086-SSS Administration Revenue	(34,010)	(34,301)	(291)	1%
4210	4210-Rent from Electric Property	(120,375)	(101,884)	18,491	(15)%
4225	4225-Late Payment Charges	(47,650)	(54,701)	(7,051)	15%
4235	4235-Miscellaneous Service Revenues	(42,513)	(41,190)	1,323	(3)%
4355	4355-Gain on Disposition of Utility and Other Property	(450)	(147,500)	(147,050)	32678%
4375	4375-Revenues from Non-Utility Operations	(581,030)	(394,162)	186,868	(32)%
4380	4380-Expenses of Non-Utility Operations	219,343	285,270	65,927	30%
4390	4390-Miscellaneous Non-Operating Income	(41,511)	(3,926)	37,585	(91)%
4405	4405-Interest and Dividend Income	(110,828)	(198,092)	(87,264)	79%
	Total	(769,335)	(700,894)	68,441	(9)%

4355-Gain on Disposition of Utility and Other Property

In 2023, ORPC received an insurance payment of \$147,500 on the Pembroke MS#6 transformer replacement project that failed in 2021. Per IFRS guidance, the insurance payment or a receivable for the insurance payment could not be recorded until it was reasonably assured that the payment would be received which did not occur until 2023.

4375-Revenues from Non-Utility Operations

Affiliate activities started normalizing in 2023 with the easing or elimination of pandemic restrictions and became consistent with the 2022 Board Approved amount of \$400,000.

4380-Expenses from Non-Utility Operations

With the normalization of revenues, the expenses also normalized to represent approximately 70% of revenues, which is consistent with target earnings of 30% on all affiliate activities.

4405-Interest and Dividend Income

The increase in Interest Income reflects the BMO prime lending rate increasing from 2.45% on January 1, 2022, to 7.20% by December 31, 2023, which in turn increased ORPC's interest income, combined from the increase in ORPC's bank balance resulting from the Hydro One generation overpayments.

Table 12 - Variance Analysis of Other Operating Revenues

2023 Actuals – 2024 Actuals

		2023	2024	\$	%
	USoA Description				
4082	4082-Retail Services Revenues	(10,402)	(14,227)	(3,825)	37%
4084	4084-Service Transaction Requests (STR) Revenues	(6)	(15)	(9)	150%
4086	4086-SSS Administration Revenue	(34,301)	(33,518)	783	(2)%
4210	4210-Rent from Electric Property	(101,884)	(72,084)	29,800	(29)%
4225	4225-Late Payment Charges	(54,701)	(65,420)	(10,719)	20%
4235	4235-Miscellaneous Service Revenues	(41,190)	(37,736)	3,454	(8)%
4355	4355-Gain on Disposition of Utility and Other Property	(147,500)	(9,506)	137,994	(94)%
4375	4375-Revenues from Non-Utility Operations	(394,162)	(543,268)	(149,106)	38%
4380	4380-Expenses of Non-Utility Operations	285,270	316,473	31,203	11%
4390	4390-Miscellaneous Non-Operating Income	(3,926)	(27,825)	(23,899)	609%
4405	4405-Interest and Dividend Income	(198,092)	(238,912)	(40,820)	21%
	Total	(700,894)	(726,038)	(25,144)	4%

4355-Gain on Disposition of Utility and Other Property

In 2023, ORPC received an insurance payment of \$147,500 on the Pembroke MS#6 transformer replacement project that failed in 2021. No significant payments or gains were realized in 2024.

4375-Revenues from Non-Utility Operations

ORPC reallocated revenues for billing and metering services provided to other LDCs to grouping 4375 starting in 2024. The 2024 balance included \$203,345 in revenues from these services with costs of \$57,893 pertaining to these services included in grouping 4380 as compared to both previously being included in grouping 5315. The remaining variance in account 4375 is due to the difficult to predict nature of affiliate work.

Table 13 - Variance Analysis of Other Operating Revenues

2024 Actuals – 2025 Actuals

		2024	2025	\$	%
	USoA Description				
4082	4082-Retail Services Revenues	(14,227)	(14,176)	51	(0)%
4084	4084-Service Transaction Requests (STR) Revenues	(15)	(16)	(1)	7%
4086	4086-SSS Administration Revenue	(33,518)	(34,756)	(1,238)	4%
4210	4210-Rent from Electric Property	(72,084)	(179,063)	(106,979)	148%
4225	4225-Late Payment Charges	(65,420)	(56,017)	9,403	(14)%
4235	4235-Miscellaneous Service Revenues	(37,736)	(41,452)	(3,716)	10%
4355	4355-Gain on Disposition of Utility and Other Property	(9,506)	0	9,506	(100)%
4375	4375-Revenues from Non-Utility Operations	(543,268)	(391,458)	151,810	(28)%
4380	4380-Expenses of Non-Utility Operations	316,473	155,243	(161,230)	(51)%
4390	4390-Miscellaneous Non-Operating Income	(27,825)	(18,578)	9,247	(33)%
4405	4405-Interest and Dividend Income	(238,912)	(140,312)	98,600	(41)%
	Total	(726,038)	(720,585)	5,453	(1)%

4210-Rent from Electric Property

This category includes revenues earned from pole attachments. For ORPC, this revenue is primarily for telecommunications attachments on ORPC-owned infrastructure from Bell, Rogers, Cogeco, and ORPC's affiliate. The 2025 revenues increased significantly as a result of delayed invoicing to and from Bell. ORPC and Bell had not invoiced each other for pole

1 attachments since 2022 and therefore 2025 included revenues for 2023, 2024 and 2025
2 fiscal years totaling \$104,384 in increased revenues from 2024.

3 **4375-Revenues from Non-Utility Operations**

4 This account saw a decrease of \$151,810 mainly due to a decrease of \$132,067 in revenues
5 earned from its affiliate. Specifically, the 2024 revenues included an additional \$35,183 for
6 a lone project that did not recur in 2025, similarly with many minor projects and increased
7 street lighting maintenance in 2024 compared to previous years.

8 **4380-Expenses from Non-Utility Operations**

9 Amount typically varies in proportion with account 4375. Variance is consistent with the
10 variance in that account for 2025 as compared to 2024.

11 **4405-Interest and Dividend Income**

12 The decrease in Interest Income reflects the BMO prime lending rate decreasing from
13 7.20% on January 1, 2024, to 4.45% by December 31, 2025. ORPC also implemented rate
14 riders on May 1, 2024, to begin repayment to its customers for the Hydro One generation
15 overpayments which decreased the average bank balance throughout the year.

Table 14 - Variance Analysis of Other Operating Revenues

2025 Actuals – 2026 Bridge Year

		2025	2026	\$	%
	USoA Description				
4082	4082-Retail Services Revenues	(14,176)	(12,351)	1,825	(13)%
4084	4084-Service Transaction Requests (STR) Revenues	(16)	(12)	4	(25)%
4086	4086-SSS Administration Revenue	(34,756)	(34,942)	(186)	1%
4210	4210-Rent from Electric Property	(179,063)	(114,951)	64,112	(36)%
4225	4225-Late Payment Charges	(56,017)	(59,042)	(3,025)	5%
4235	4235-Miscellaneous Service Revenues	(41,452)	(43,300)	(1,848)	4%
4355	4355-Gain on Disposition of Utility and Other Property			0	0%
4375	4375-Revenues from Non-Utility Operations	(391,458)	(484,953)	(93,495)	24%
4380	4380-Expenses of Non-Utility Operations	155,243	317,705	162,462	105%
4390	4390-Miscellaneous Non-Operating Income	(18,578)	(3,000)	15,578	(84)%
4405	4405-Interest and Dividend Income	(140,312)	(49,200)	91,112	(65)%
	Total	(720,585)	(484,046)	236,539	(33)%

4210-Rent from Electric Property

As mentioned above, 2025 included Bell pole attachment revenues for 2023, 2024 and 2025 fiscal years totaling \$104,384. The 2023 and 2024 fiscal years totaled \$68,219 which is consistent with the decrease noted from 2025 to 2026.

4375-Revenues from Non-Utility Operations

Non-regulated revenues can vary significantly primarily with affiliate activities. ORPC calculated its 2026 revenues based on historical labour, material usage, equipment usage and all other related expenditures to arrive at a total of \$484,953 representing an increase of \$93,495. There are no material projects included in this figure that are known or planned.

4380-Expenses from Non-Utility Operations

Non-regulated expenses can vary significantly year to year mainly with affiliate activities. ORPC calculated its 2026 expenses based on historical labour, material usage, equipment usage and all other related expenditures to arrive at a total of \$317,705 representing an

increase of \$162,462 from 2025. There are no material projects included in this figure that are known or planned.

4405-Interest and Dividend Income

Continuation of the rate riders implemented on May 1, 2024, to repay its customers for the Hydro One generation overpayments which continues to decrease the average bank balance throughout the year.

Table 15 - Variance Analysis of Other Operating Revenues

2026 Bridge Year – 2027 Test Year

		2026	2027	\$	%
	USoA Description				
4082	4082-Retail Services Revenues	(12,351)	(12,587)	(236)	2%
4084	4084-Service Transaction Requests (STR) Revenues	(12)	(12)	0	0%
4086	4086-SSS Administration Revenue	(34,942)	(35,114)	(172)	0%
4210	4210-Rent from Electric Property	(114,951)	(119,199)	(4,248)	4%
4225	4225-Late Payment Charges	(59,042)	(61,227)	(2,185)	4%
4235	4235-Miscellaneous Service Revenues	(43,300)	(43,300)	0	0%
4355	4355-Gain on Disposition of Utility and Other Property	0	0	0	0%
4375	4375-Revenues from Non-Utility Operations	(484,953)	(502,230)	(17,277)	4%
4380	4380-Expenses of Non-Utility Operations	317,705	336,082	18,377	6%
4390	4390-Miscellaneous Non-Operating Income	(3,000)	(3,000)	0	0%
4405	4405-Interest and Dividend Income	(49,200)	(24,000)	25,200	(51)%
	Total	(484,046)	(464,587)	19,459	(4)%

2026 Bridge compared to 2027 Test Year

All amounts are below the +/- \$50,000 materiality threshold.

6.1.7.2 PROPOSED SPECIFIC SERVICE CHARGES

ORPC is not proposing any changes to the current Specific Service Charges that have been approved by the OEB in previous applications.

Wireline Pole Attachment Charge

ORPC uses the provincial-wide wireline pole attachment charge as determined by the OEB and adjusted annually to account for inflation.

The OEB issues Decisions and Orders declaring the annual inflation adjusted rate to be effective January 1. In its "Other Operating Revenue" projections for the Test Year 2027, ORPC has applied the rate of \$41.81 per attacher per the Decision and Order to be effective as of January 1, 2027.

MicroFIT Monthly Service Charge

ORPC is proposing no change to the MicroFIT Monthly Service Charge, except for any changes noted in administration fee Decisions and Orders issued by the OEB. This revenue is recorded in Account 4235.

There are no classes or discrete customer groups that may be materially impacted by changes to other rates and charges.

6.1.8 UTILITY INCOME AT PROPOSED REVENUE REQUIREMENT

Table 16 - Utility Income under Proposed Revenue Requirement

<i>Particulars</i>	<i>Initial Application</i>
<u>Operating Revenues:</u>	
<i>Distribution Revenue (at Proposed Rates)</i>	\$7,125,476
<i>Other Revenue</i>	\$464,587
<i>Total Operating Revenues</i>	\$7,590,063
<u>Operating Expenses:</u>	
<i>OM+A Expenses</i>	\$5,215,106
<i>Depreciation/Amortization</i>	\$977,565
<i>Property taxes</i>	\$-
<i>Capital taxes</i>	\$-
<i>Other expense</i>	\$-
<i>Subtotal (lines 4 to 8)</i>	\$6,192,671
<i>Deemed Interest Expense</i>	\$578,262
<i>Total Expenses (lines 9 to 10)</i>	\$6,770,933
<i>Utility income before income taxes</i>	\$819,130
<i>Income taxes (grossed-up)</i>	\$-
<i>Utility net income</i>	\$819,130

6.1.9 REVENUE REQUIREMENT TREND

The table below presents ORPC's Revenue Requirement trend starting from the 2022 Board Approved year through to the 2027 proposed Revenue Requirement.

Table 17 - Trend in Revenue Requirement

<i>Particular</i>	Last Board Approved	2022	2023	2024	2025	2026	2027
<i>OM&A Expenses</i>	\$3,623,394	\$3,838,861	\$4,153,296	\$4,134,104	\$4,713,045	\$4,595,722	\$5,215,106
<i>Depreciation Expense</i>	\$950,237	\$958,372	\$1,016,304	\$992,213	\$932,579	\$928,809	\$977,565
<i>Regulated Return On Capital</i>	\$451,529	\$512,818	\$584,670	\$617,606	\$664,177	\$713,338	\$819,130
<i>Deemed Interest Expense</i>	\$260,855	\$296,262	\$337,772	\$356,799	\$383,704	\$412,105	\$578,262
<i>Grossed up PILs</i>	\$16,204	\$194,734	\$(69,875)	\$16,355	\$36,548	\$-	\$-
<i>Service Revenue Requirement</i>	\$5,302,220	\$5,801,047	\$6,022,167	\$6,117,077	\$6,730,053	\$6,649,974	\$7,590,063
<i>Less: Revenue Offsets</i>	\$339,757	\$769,336	\$700,894	\$726,038	\$720,586	\$484,046	\$464,587
<i>Base Revenue Requirement</i>	\$4,962,463	\$5,031,711	\$5,321,273	\$5,391,039	\$6,009,467	\$6,165,928	\$7,125,476

The table below summarizes the year-over-year changes in ORPC's Revenue Requirement starting from the 2022 Board Approved year through to the 2027 proposed Revenue Requirement.

1

Table 18 - Variance Analysis of Revenue Requirement

Particular	Last Board Approved	2022	2023	2024	2025	2026	2027	Variance over last CoS
OM&A Expenses	\$3,623,394	\$3,838,861	\$4,153,296	\$4,134,104	\$4,713,045	\$4,595,722	\$5,215,106	
<i>Year over year change (\$)</i>		\$215,467	\$314,435	\$(19,192)	\$578,941	\$(117,323)	\$619,384	\$1,591,712
<i>Year over year change (%)</i>		6%	8%	0%	14%	-2%	13%	44%
Depreciation Expense	\$950,237	\$958,372	\$1,016,304	\$992,213	\$932,579	\$928,809	\$977,565	
<i>Year over year change (\$)</i>		\$8,135	\$57,932	\$(24,091)	\$(59,634)	\$(3,770)	\$48,756	\$27,328
<i>Year over year change (%)</i>		1%	6%	-2%	-6%	0%	5%	3%
Regulated Return On Capital	\$451,529	\$512,818	\$584,670	\$617,606	\$664,177	\$713,338	\$819,130	
<i>Year over year change (\$)</i>		\$61,289	\$71,852	\$32,936	\$46,571	\$49,161	\$105,792	\$367,601
<i>Year over year change (%)</i>		14%	14%	6%	8%	7%	15%	81%
Deemed Interest Expense	\$260,855	\$296,262	\$337,772	\$356,799	\$383,704	\$412,105	\$578,262	
<i>Year over year change (\$)</i>		\$35,407	\$41,510	\$19,027	\$26,905	\$28,401	\$166,157	\$317,407
<i>Year over year change (%)</i>		14%	14%	6%	8%	7%	40%	117%
Grossed up PILs	\$16,204	\$194,734	\$(69,875)	\$16,355	\$36,548	\$0	\$0	
<i>Year over year change (\$)</i>		\$178,530	\$(264,609)	\$86,230	\$20,193	\$(36,548)	\$0	\$(16,204)
<i>Year over year change (%)</i>		1102%	-136%	-123%	123%	-100%	0%	-100%
Service Revenue Requirement	\$5,302,220	\$5,801,047	\$6,022,167	\$6,117,077	\$6,730,053	\$6,649,974	\$7,590,063	
<i>Year over year change (\$)</i>		\$498,827	\$221,120	\$94,910	\$612,976	\$(80,079)	\$940,089	\$2,287,843
<i>Year over year change (%)</i>		9%	4%	2%	10%	-1%	14%	43%
Less: Revenue Offsets	\$339,757	\$769,336	\$700,894	\$726,038	\$720,586	\$484,046	\$464,587	
<i>Year over year change (\$)</i>		\$429,579	\$(68,442)	\$25,144	\$(5,452)	\$(236,540)	\$(19,459)	\$124,830
<i>Year over year change (%)</i>		126%	-9%	4%	-1%	-33%	-4%	37%
Base Revenue Requirement	\$4,962,463	\$5,031,711	\$5,321,273	\$5,391,039	\$6,009,467	\$6,165,928	\$7,125,476	
<i>Year over year change (\$)</i>		\$69,248	\$289,562	\$69,766	\$618,428	\$156,461	\$959,548	\$2,163,013
<i>Year over year change (%)</i>		1%	6%	1%	11%	3%	16%	44%

2

3 As illustrated in the above tables, the proposed revenue requirement for the Test Year (2027) is
4 44% higher than the 2022 Cost of Service Approved Revenue Requirement. The revenue
5 requirement has seen a steady increase since the last Cost of Service in 2022 with larger increases
6 in 2025 and 2027. The increase in 2025 can be attributed to the PCB transformer testing program
7 described in further detail in Exhibit 4. The 2027 increase can be attributed to wage adjustments
8 to industry averages and the introduction of a new staff position, also discussed further in Exhibit
9 4. Additionally, the revenue requirement has increased due to increases in Return on Equity,
10 Deemed Long-Term Debt and Deemed Short-Term date rates from 2022.

11 Year over year variances in OM&A are explained throughout Exhibit 4 and Revenue Offsets details
12 are outlined above in this Exhibit.

6.2 REVENUE DEFICIENCY OR SURPLUS

6.2.1 CALCULATION OF REVENUE DEFICIENCY OR SURPLUS

ORPC's net revenue deficiency under the proposed rates is \$1,309,920. This deficiency is calculated as the difference between the 2027 Test Year Revenue Requirement and the Forecast Test Year Revenue Requirement at the Applicant's 2026 approved distribution rates.

Table 19 - Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

<i>Service Revenue Requirement</i>	\$7,590,063
<i>Grossed-Up Revenue Deficiency/(Sufficiency)</i>	\$1,309,920
<i>Base Revenue Requirement (to be recovered from Distribution Rates)</i>	\$7,125,476
<i>Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement</i>	\$1,309,920

The Revenue Deficiency sheet presented at the next page is an excerpt from the Revenue Requirement Work Form.

1

Table 20 - Revenue Deficiency

<i>Particulars</i>	At Current Approved Rates	At Proposed Rates
<i>Revenue Deficiency from Below</i>		\$1,309,920
<i>Distribution Revenue</i>	\$5,815,556	\$5,815,556
<i>Other Operating Revenue Offsets - net</i>	\$464,587	\$464,587
<i>Total Revenue</i>	\$6,280,144	\$7,590,063
<i>Operating Expenses</i>	\$6,192,671	\$6,192,671
<i>Deemed Interest Expense</i>	\$578,262	\$578,262
<i>Total Cost and Expenses</i>	\$6,770,933	\$6,770,933
<i>Utility Income Before Income Taxes</i>	\$(490,789)	\$819,130
<i>Tax Adjustments to Accounting Income per 2013 PILs model</i>	\$(819,130)	\$(819,130)
<i>Taxable Income</i>	\$(1,309,919)	\$0
<i>Income Tax Rate</i>	26.50%	26.50%
<i>Income Tax on Taxable Income</i>	\$-	\$-
<i>Income Tax Credits</i>	\$-	\$-
<i>Utility Net Income</i>	\$(490,789)	\$819,130
<i>Utility Rate Base</i>	\$22,478,878	\$22,478,878
<i>Deemed Equity Portion of Rate Base</i>	\$8,991,551	\$8,991,551
<i>Income/(Equity Portion of Rate Base)</i>	-5.46%	9.11%
<i>Target Return - Equity on Rate Base</i>	9.11%	9.11%
<i>Deficiency/Sufficiency in Return on Equity</i>	-14.57%	0.00%
<i>Indicated Rate of Return</i>	0.39%	6.22%
<i>Requested Rate of Return on Rate Base</i>	6.22%	6.22%
<i>Deficiency/Sufficiency in Rate of Return</i>	-5.83%	0.00%
<i>Target Return on Equity</i>	\$819,130	\$819,130
<i>Revenue Deficiency/(Sufficiency)</i>	\$1,309,920	\$-
<i>Gross Revenue Deficiency/(Sufficiency)</i>	\$1,309,920	\$-

2

3 The drivers for the revenue deficiency are discussed in the next section.

6.2.2 CAUSES OF REVENUE DEFICIENCY OR SURPLUS

ORPC's existing rates are based on the Board-approved rates in 2022 as an outcome of a cost-of-service rate application, and subsequent annual adjustments to its base distribution rates in years 2023 to 2026 under the Board's third Generation Incentive Regulation Mechanism.

As illustrated in the previous section, the Revenue Deficiency is determined to be \$1,309,920. The deficiency is for the most part due to the increase in the Rate Base and OM&A. The major contributors of the deficiency from 2022 Board Approved to Test Year (2027) are presented in the table below with explanations following.

Table 21 – Differences in Revenue Requirement from 2022 Cost of Service

Particular	2022	2027	Diff
<i>Long Term Debt</i>	3.49%	4.40%	0.91%
<i>Short Term Debt</i>	1.17%	2.72%	1.55%
<i>Return on Equity</i>	8.66%	9.11%	0.45%
<i>Weighted Debt Rate</i>	3.34%	4.29%	0.95%
Regulated Rate of Return	5.47%	6.22%	0.75%
<i>Controllable Expenses</i>	\$3,623,394	\$5,215,106	\$1,591,712
<i>Power Supply Expense</i>	\$20,167,080	\$24,798,513	\$4,630,433
<i>Total Eligible Distribution Expenses</i>	\$23,790,475	\$30,013,619	\$6,223,144
<i>Working Capital Allowance Rate</i>	7.50%	7.50%	-%
Total Working Capital Allowance ("WCA")	\$1,784,286	\$2,251,021	\$466,735
<i>Gross Fixed Assets (average)</i>	\$18,926,106	\$33,454,548	\$14,528,442
<i>Accumulated Depreciation (average)</i>	\$(7,675,477)	\$(13,226,691)	\$(5,551,214)
<i>Net Fixed Asset</i>	\$11,250,629	\$20,227,857	\$8,977,228
<i>Working Capital Allowance</i>	\$1,784,286	\$2,251,021	\$466,735
Rate Base	\$13,034,914	\$22,478,878	\$9,443,964
<i>Regulated Rate of Return</i>	5.47%	6.22%	0.75%
Regulated Return on Capital	\$712,384	\$1,397,392	\$685,008
<i>Deemed Interest Expense</i>	\$260,855	\$578,262	\$317,407
<i>Deemed Return on Equity</i>	\$451,529	\$819,130	\$367,601
<i>OM&A</i>	\$3,623,394	\$5,215,106	\$1,591,712
<i>Depreciation Expense</i>	\$950,237	\$977,565	\$27,328
<i>PILs</i>	\$16,204	\$-	\$(16,204)
<i>Revenue Offset</i>	\$(339,757)	\$(464,587)	\$(124,830)
Revenue Requirement	\$4,962,463	\$7,125,476	\$2,163,013

The table above shows that the causes for the revenue deficiency stem from an increase in Rate Base of \$9,443,964 and an increase of \$1,591,712 in OM&A expenses as compared to the 2022 Board-approved amounts.

The factors contributing to the change in the rate base are discussed in detail at Exhibit 2 and can be summarized due to:

- a) Investments in the distribution system to follow the Distribution System Plan;
- b) Inclusion of the 2019 ICM in the Rate Base;
- c) Addition of transportation equipment; and
- d) Substation and 44kV renewal projects.

Increased Operations, Maintenance, and Administration (OM&A) expenses are another driver of the revenue deficiency. Projected OM&A for the Test Year is \$1,591,712 higher than the 2022 Board-approved amount. The cost drivers underlying this increase are explained in Exhibit 4 and can be mainly summarized due to:

- a) Inflation;
- b) Pembroke and Almonte premises new rent;
- c) Wage progressions, and adjustments;
- d) New staffing position; and
- e) Annual maintenance fees for software.

The Working Capital Allowance increased by \$466,735 largely due to increases in Cost of Power of \$4,630,433 from the 2022 Board-Approved amount. There was also an increase of 0.71% in the Weighted Average Cost of Capital from the 2022 Board Approved amount.

6.2.3 IMPACT OF IMPLEMENTATION OF MIFRS ON REVENUE DEFICIENCY OR SURPLUS

In ORPC's 2016 Cost of Service Rate application (EB-2014-0105), the Applicant received approval from the Board for the change in accounting policy for an update in the LDC's useful lives. In its application, ORPC filed its Test Year Fixed Asset information using mid-life typical useful lives as derived from the Kinectrics Study commissioned by the Board and adopted these depreciation rates.

The Applicant confirms that no further changes have occurred that would result in a change to the projected revenue deficiency or sufficiency for the Test Year (2027).

ORPC adopted MIFRS (Modified - International Financial Reporting Standards) on January 1, 2015, with a transition date of January 1, 2014.

ORPC's OM&A has not been impacted by the policy which states that burdens which are no longer eligible for capitalization have been removed from rate base and included as an operating expense because the utility has never capitalized administrative burdens on capital projects.

6.3 APPENDICES

Appendix 6A	2025 PILs and Exempt Returns
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1 **6.3.1 APPENDIX 6A – 2025 PILS AND EXEMPT RETURNS**

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Telephone (613) 212-5764
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PRIVATE AND CONFIDENTIAL

Jeffrey Roy
Chief Financial Officer
Ottawa River Power Corporation
283 Pembroke Street W
Pembroke ON K8A 5N5

June 23, 2026

Jeffrey:

CORPORATE INCOME TAX RETURNS

We have prepared and enclose the corporate income tax return(s) (the "Returns") of Ottawa River Power Corporation (the "Company") for the taxation year ended December 31, 2025.

- | |
|--|
| <ul style="list-style-type: none">☒ T2 – <i>Corporation Income Tax Return</i> - EXEMPT☒ T183 - <i>Information Return for Corporations Filing Electronically</i>
(Federal - to be e-filed with CRA) - EXEMPT☒ T2 – <i>Corporations Income Tax Return</i> (to be filed with Ministry of Finance) - PILS☒ Client copy for your records |
|--|

We have prepared these Returns based on our understanding of and reliance upon the facts, data, materials, assumptions and other information (collectively, the "Information") provided to us by the Company and/or its representatives, and we have not independently investigated or verified the accuracy or completeness of such Information. We accept no responsibility or liability for any errors attributable to our reliance upon inaccurate or incomplete Information. We recommend that you carefully review the Returns in their entirety to ensure that all of the relevant Information is correctly and completely disclosed.

Note that taxable dividends received by a corporation resident in Canada that are otherwise tax-deductible in computing taxable income under Part I of the Income Tax Act (the “intercorporate dividends”) may be re-characterized, under the anti-avoidance rule in subsection 55(2) of the Income Tax Act, as capital gains that are subject to tax if, in general terms, (i) the dividend exceeds safe income that is contributing to a gain on the share on which the dividend was paid and (ii) one of the purposes of the payment or receipt of the dividend is described in subsection 55(2.1).

You have advised us that there is sufficient safe income to support the position that the anti-avoidance rule does not apply to the intercorporate dividends reported in the Returns. The safe income exception to the application of subsection 55(2) applies only to the extent of an accrued gain on the shares of the dividend payer (i.e., to the extent that the fair market value of the shares on which the dividend was paid exceeded their adjusted cost base at the time of the dividend payment). If a dividend paid by the Company exceeded such gain, if any, or if there is no gain, the excess may be re-characterized as a capital gain to the dividend recipient subject to tax under subsection 55(2) (unless none of the purposes in subsection 55(2.1) are present).

FOREIGN PROPERTY

The information return, which reports the Company's specified foreign property, is Form T1135 - *Foreign Income Verification Statement*. Form T1135 should be completed if at any time during the taxation year 2025 the total cost of all specified foreign property the Company owned or held a beneficial interest in was more than Cdn\$100,000.

According to the information you have provided to us, the Company did not hold specified foreign property at any time in the taxation year 2025 with a total cost of more than Cdn\$100,000. As such, we have **not** marked an X in box 259 on page 3 of your return and **we have not completed the Form T1135**. If the information on specified foreign property is incorrect, please let us know immediately.

Should Form T1135 be required, it is due by **June 30, 2026**. The implications of late filing and/or failure to properly report specified foreign property on the Form T1135 and failure to report income from a specified foreign property on your income tax return are substantial. They include significant penalties and an increase to the normal reassessment period by an additional 3 years. Further, the reassessment period extension would impact otherwise statute-barred tax years and would impact the entire income tax return, not just the foreign income and reporting sections.

BEPS - GLOBAL MINIMUM TAX (CANADA)

On June 20, 2024, Canada enacted the Global Minimum Tax Act (the “GMTA”) to implement the OECD’s Pillar Two global minimum tax framework in Canada. The GMTA generally applies to qualifying multinational enterprise groups with consolidated revenue of at least €750 million (in two of the previous four years) and applies for fiscal years beginning on or after December 31, 2023. Elective transitional safe harbour relief may be available for the initial implementation period in certain circumstances.

The GMTA also introduces significant new compliance, reporting, and disclosure requirements for in-scope groups. These may include registrations for a CRA global minimum tax program account, as well as new prescribed returns and/or notification filings. These requirements are separate from the annual Canadian corporate income tax return. Global minimum tax legislative, administrative, reporting and/or compliance requirements may also apply in foreign jurisdictions in which in-scope groups have a presence.

Please contact us if you have any questions or concerns about how the Pillar Two rules may apply to your situation.

CRS AND FATCA REPORTING REQUIREMENTS

Certain Canadian entities are required to report to the Canada Revenue Agency annually on any account holders determined to be Specified US persons under *Part XVIII - Enhanced International Information Reporting* of the Canadian *Income Tax Act* (the Canadian implementation of the US *Foreign Account Tax Compliance Act*, commonly referred to as "FATCA").

Certain Canadian entities are also required to report to the Canada Revenue Agency annually on any account holders determined to be tax residents of countries other than Canada or the United States under *Part XIX - Common Reporting Standard* of the Canadian *Income Tax Act* (commonly referred to as the "CRS").

Please contact us if you have any questions about responding to a request from a financial institution to certify your FATCA or CRS status, or determining whether you are subject to the due diligence and reporting requirements under the CRS or FATCA.

PROPOSED TAX CHANGES

The Company's tax Returns have been prepared taking into account certain proposals to amend the federal and provincial tax statutes which have been publicly announced to date in budgets and other government releases as being applicable to the Company's current taxation year, even though the proposals may not yet be enacted. If the proposed amendments are not enacted as announced, these tax returns could be reassessed and may result in an underpayment of tax, and possible interest and penalties. If you receive an assessment or reassessment for these tax returns that does not agree with the returns filed, it is important that you notify us so that we can determine if any action needs to be taken.

INSTALMENTS

Our calculations indicate that no instalments are required for the December 31, 2026 taxation year.

T2 – T183 – INFORMATION RETURN FOR CORPORATIONS FILING ELECTRONICALLY (FEDERAL-EXEMPT)

In order for us to electronically file the Company's corporate exempt income tax return, a signed copy of Form T183CORP – *Information Return for Corporations Filing Electronically* must be returned to us. Please note that we will not electronically file the Company's corporate income tax return until we receive the signed Form T183 Corp.

The Form T183CORP – *Information Return for Corporations Filing Electronically* includes information from your Company's income tax return and all applicable schedules.

Signature

-  Form T183CORP – *Information Return for Corporations Filing Electronically* should be completed and signed

No amount is payable for the **2025** taxation year.

Mailing

-  One copy of the signed Form T183 Corp should be returned to KPMG by fax at (613) 212-2896, as soon as possible, no later than June 30, 2026, in order to have the Company's Return filed on or before the due date for filing. **We will not electronically file the Return until we receive a copy of the signed T183CORP.** The Form T183CORP must **not** be sent to the CRA.

T2 – CORPORATION INCOME TAX RETURN - MINISTRY OF FINANCE

Signature

-  Form T2, the certification section on page 9 should be completed and signed.

No amount is payable for the **2025** taxation year.

Mailing

-  One copy of the Return and one copy of the Company's financial statements must be **received** by The Ministry of Finance, HYDRO PIL DIVISION, PO Box 620, 33 King Street West, Oshawa, ON, L1H 8E9 no later than **June 30, 2026**. For greater certainty, KPMG will not be mailing this Return.

NOTICES OF ASSESSMENT

If the Company receives a Notice of Assessment which does not agree with a return as prepared by us, please contact us so that we can determine whether any action should be taken. The Company has only a limited number of days from the date of mailing of the Assessment in which to object. Failure to respond within the prescribed time limit will cause the Company to lose its right to object to the Assessment.

If you have any questions concerning these Returns, or if we may be of any further assistance, please feel free to contact the undersigned.

Yours truly,

A handwritten signature in black ink that reads "KPMG LLP". The letters are slanted and connected in a cursive-like style. A single horizontal line is drawn underneath the signature.

Mike Nazarov
Tax Partner
KPMG LLP

Enclosures

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

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

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

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

055 Do not use this area

Identification

Business number (BN)00187176 4072 RC0001

Corporation's name002Ottawa River Power Corporation

Address of head office

Has this address changed since the last time the CRA was notified?010YesNoX

If yes, complete lines 011 to 018.

011283 Pembroke Street W

012

CityProvince, territory, or state

015Pembroke016ON

Country (other than Canada)Postal or ZIP code

017018K8A 5N5

Mailing address (if different from head office address)

Has this address changed since the last time the CRA was notified?020YesNoX

If yes, complete lines 021 to 028.

021c/o

022

023

CityProvince, territory, or state

025026

Country (other than Canada)Postal or ZIP code

027028

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

Has this address changed since the last time the CRA was notified?030YesNoX

If yes, complete lines 031 to 038.

031

032

CityProvince, territory, or state

035036

Country (other than Canada)Postal or ZIP code

037038

040Type of corporation at the end of the tax year (tick one)

X

1 Canadian-controlled private corporation (CCPC)2 Other private corporation3 Public corporation4 Corporation controlled by a public corporation5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change043

Year Month Day

To which tax year does this return apply?

Tax year startYear Month Day0602025-01-01

Tax year-endYear Month Day0612025-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060?063

YesNoX

If yes, provide the date control was acquired065

Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)?066

YesNoX

Is the corporation a professional corporation that is a member of a partnership?067

YesNoX

Is this the first year of filing after:

Incorporation?070

YesNoX

Amalgamation?071

YesNoX

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

YesNoX

If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation?076

YesNoX

Is this the final return up to dissolution?078

YesNoX

If an election was made under section 261, state the functional currency used079

Is the corporation a resident of Canada?080

YesXNo

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

YesNoX

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

095096098

T2 E (26)

CCH IFIRM TAXPREP IF18 VERSION 2026 V1.1

Canada

Page 1

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

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

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	☐	T1134
If the corporation is a resident of Canada, 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?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☐	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	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?	☐	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?	☐	54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	☐	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	☐	59
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	☐	68
Is the corporation a covered entity that redeemed, acquired or cancelled equity of the corporation in the tax year?	☐	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?	☐	130

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	☒	No	☐
Is the corporation inactive?	280	Yes	☐	No	☒
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290	Yes	☐	No	☒
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	Energy	285	100.000 %	
	286		287	%	
	288		289	%	
Did the corporation immigrate to Canada during the tax year?	291	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	292	Yes	☐	No	☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes	☐	No	☐
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day			
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes	☐	No	☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	-166,594	A
Deduct:			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
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
Taxable income (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, minus 100/28 (3.57143) of the amount on line 632* on page 8, minus 4 times the amount on line 636** on page 8, and minus any amount that, because of federal law, is exempt from Part I tax	405	B
Business limit (see notes 1 and 2 below)	410	C

Notes:

- 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** *** 6,513 D = 90,000 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** L

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. This amount is reported at line 745 of the corresponding Schedule 7. Each corporation with such income has to file a Schedule 7.

Small business deduction (continued)**Specified corporate income and assignment under subsection 125(3.2)**

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

Notes:

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

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

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

Enter amount I on line 638 on page 8.

* This is not applicable to substantive CCPCs.

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

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

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

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax**Canadian-controlled private corporations throughout the tax year or substantive CCPCs at any time in the tax year**Aggregate investment income from Schedule 7 **440** $\times \frac{30}{2} \div 3 \% =$ A

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

Foreign investment income from Schedule 7 **445** $\times 8 \% =$ CSubtotal (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 $\times \frac{75}{29} =$ HForeign business income tax credit from line 636 on page 8 $\times 4 =$ ISubtotal (**add** amounts G to I) **J**Subtotal (amount F **minus** amount J) $\times \frac{30}{2} \div 3 \% =$ LPart I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9) **M****Refundable portion of Part I tax** – Amount E, L, or M, whichever is the least **450** **N**

* This is not applicable to substantive CCPCs.

Refundable dividend tax on hand

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

Dividend refund

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

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) multiplied by 38 %	550	A
Additional tax on personal services business income (section 123.5)		
Taxable income from a personal services business	555 x 5 % = 560	B
Additional tax on banks and life insurers from Schedule 68	565	C
Total labour requirements addition to tax	580	D
Recapture of investment tax credit from Schedule 31	602	E
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) or substantive CCPC's investment income (if it was a CCPC throughout the tax year or a substantive CCPC at any time in the tax year)		
Aggregate investment income from line 440 on page 6		F
Taxable income from line 360 on page 3		G
Deduct:		
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
Deduct:		
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
Part I tax payable – 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.

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:

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)

Total federal tax

760

Deduct other credits:

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

Total tax payable

770

A

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** **1**

Refund

Balance owing

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

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

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due?

896Yes ☐No ☒

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

EFILE number

920

A8340

RepID

925**Certification**I, **950** Roy**951** Jeffrey**954** Chief Financial Officer

Last name

First name

Position, office, or rank

I 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)

Signature of the authorized signing officer of the corporation

956

(613) 732-3687

Telephone number

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

957Yes ☒No ☐**958**

Name of other authorized person

959

Telephone number

Language of correspondence – Langue de correspondance

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

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

990**1**

Canada Revenue
AgencyAgence du revenu
du Canada**SCHEDULE 100**

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	11,273,900	10,760,731
	Total tangible capital assets	2008 +	28,836,876	25,837,320
	Total accumulated amortization of tangible capital assets	2009 –	8,574,554	7,330,575
	Total intangible capital assets	2178 +	432,057	405,262
	Total accumulated amortization of intangible capital assets	2179 –	349,062	270,561
	Total long-term assets	2589 +	522,143	1,307,446
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	32,141,060	30,709,623
Liabilities				
	Total current liabilities	3139 +	8,576,467	6,217,738
	Total long-term liabilities	3450 +	12,855,573	14,007,628
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	21,432,040	20,225,366
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	10,709,020	10,484,257
	Total liabilities and shareholder equity	3640 =	32,141,060	30,709,623
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	5,175,913	4,896,326

* Generic item



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

Income statement information

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

Account	Description	GIFI	Current year	Prior year
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Income statement information

Total sales of goods and services	8089 +	30,459,338	29,866,320
Cost of sales	8518 -	25,877,033	21,749,563
Gross profit/loss	8519 =	4,582,305	8,116,757
Cost of sales	8518 +	25,877,033	21,749,563
Total operating expenses	9367 +	6,162,213	5,936,186
Total expenses (mandatory field)	9368 =	32,039,246	27,685,749
Total revenue (mandatory field)	8299 +	32,488,207	28,083,319
Total expenses (mandatory field)	9368 -	32,039,246	27,685,749
Net non-farming income	9369 =	448,961	397,570

Farming income statement information

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

Net income/loss before taxes and extraordinary items	9970 =	448,961	397,570
---	---------------	----------------	----------------

Total – other comprehensive income	9998 =	-58,299	
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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 -	42,609	
Future (deferred) income tax provision	9995 -	123,290	113,664
Total – Other comprehensive income	9998 +	-58,299	
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	224,763	283,906

Canada Revenue
AgencyAgence du revenu
du Canada

Schedule 141

General Index of Financial Information (GIFI) – Additional Information

Corporation's name Ottawa River Power Corporation	Business number 87176 4072 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**

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	210	_____
Intangible assets	215	_____
Investment property	220	_____
Biological assets	225	_____
Financial instruments	230	_____
Other	235	_____

211	_____
216	_____
231	_____
236	_____

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)?

250 Yes ☐ No ☒

Did the corporation apply hedge accounting during the tax year?

255 Yes ☐ No ☒

Did the corporation discontinue hedge accounting during the tax year?

260 Yes ☐ No ☒

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year?

265 Yes ☐ No ☒

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

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
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Ottawa River Power Corporation (the "Corporation") was incorporated in accordance with the provincial government's Electricity Act, 1998 under the Business Corporations Act (Ontario) on April 22, 1999.

Ottawa River Power Corporation is the successor to the former Pembroke Hydro Electric Commission ("Pembroke Hydro"), the Municipality of Mississippi Mills Public Utilities Commission ("Almonte Hydro"), the Township of Killaloe, Hagarty & Richards Hydro Electric Commission ("Killaloe Hydro") and the Beachburg Hydro System ("Beachburg Hydro").

The shareholders of the Corporation are the City of Pembroke (78.4%), the Municipality of Mississippi Mills (15.9%), the Township of Killaloe-Hagarty-Richards (3.0%) and the Township of Whitewater Region (2.7%).

The Corporation is the electric distribution utility for residents of the City of Pembroke, the Municipality of Mississippi Mills (Almonte Ward), the Township of Killaloe and the Village of Beachburg under a license issued by the Ontario Energy Board ("OEB"). The Corporation is regulated by the OEB and adjustments to the Corporation's distribution and power rates require OEB approval.

1. Basis of presentation:

(a) Statement of compliance:

These financial statements have been prepared by management on a going-concern basis in accordance with IFRS Accounting Standards.

The financial statements were authorized for issue by the Board of Directors on April 24, 2026.

(b) Basis of presentation:

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented has been rounded to the nearest dollar.

(d) Use of estimates and judgments:

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Corporation's accounting policies. The areas involving a higher degree of judgment, complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(e) Explanation of activities subject to rate regulation:

Ottawa River Power Corporation, 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 Corporation and establishing standards of service for the Corporation's

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

customers.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

7

1. Basis of presentation (continued):

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

The OEB has broad powers relating to licensing, standards of conduct and service and the

regulation of rates charged by the Corporation 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 on an annual basis for May 1 to April 30.

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.

Recovery risk

Regulatory developments in Ontario's electricity industry, including current and possible future

consultations between the OEB and interested stakeholders, may affect distribution rates and

other permitted recoveries in the future. The Corporation is subject to a cost of service

regulatory mechanism under which the OEB establishes the revenues required

(i) to recover

the forecast operating costs, including depreciation and amortization and income taxes, of

providing regulated service, and (ii) 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.

2. Material accounting policies:

The preparation and presentation of financial statements can be significantly affected by the

accounting policies selected by the Corporation. The financial statements reflect the following

material accounting policies, which are an integral part of understanding them.

The accounting policies set out below have been applied consistently to all periods presented in

these financial statements unless otherwise indicated.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

8

2. Material accounting policies (continued):

(a) Regulatory deferral accounts:

Regulatory deferral account debit balances represent future revenues associated with certain costs incurred in the current period or in prior period(s) that are expected to be recovered from consumers in future periods through the rate-setting process. Regulatory deferral account credit balances are associated with the collection of certain revenue earned in the current period or prior period(s) that are expected to be returned to consumers in future periods 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 Corporation 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 (the "EA") 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 deferral accounts. If recovery through future rates is no longer considered probable, the amounts would be charged to the results of operations in the period that the assessment is made.

(b) Revenue recognition:

The Corporation recognizes revenue from contracts with customers when it transfers control over a product or service to a customer either over time or at a point in time. Revenue is measured at the consideration received or receivable, excluding sales taxes and other amounts collected on behalf of third parties. Revenue is comprised of sales and distribution of energy, pole use rental, collection charges, administrative services and other miscellaneous revenue.

Sale and distribution of energy

The Corporation is licensed by the OEB to distribute electricity. As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers. The Corporation has determined that they are acting as a principal for the electricity distribution and, therefore, have presented the electricity revenues on a gross basis.

Revenues from the sale and distribution of electricity is recognized over time as electricity is delivered to the customer, as measured by meter readings.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

9

2. Material accounting policies (continued):

(b) Revenue recognition (continued):

Other revenues

Other revenues, which include revenues from pole use rental, collection charges, administrative services and other miscellaneous revenue are recognized over time as the services are provided, except for revenue from certain account-related charges, which is recognized at a point in time.

Where the Corporation has an ongoing obligation to provide services, revenues are recognized

over time as the services are performed. Revenue earned for service work related to distribution operations is recognized over time as the corresponding costs are recognized proportionately with the degree of completion of the services under contract. Amounts billed in advance are recognized as deferred revenue.

Contributions in aid of construction

Certain assets may be acquired or constructed with financial assistance in the form of

contributions from developers when the estimated revenue is less than the cost of providing service or where special equipment is needed to supply specific requirements.

Capital

contributions from developers are recognized as deferred revenue and amortized into revenue from other sources at an equivalent rate to that used for the depreciation of the related property, plant and equipment.

(c) Cash:

Cash includes cash on hand with financial institutions.

(d) Financial instruments:

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Accounts receivable and unbilled energy revenue are initially measured at the transaction

price. All other financial assets and financial liabilities are initially measured at fair value.

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

The Corporation determines the classification of its financial assets on the basis of both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are not reclassified subsequent to their initial recognition unless the Corporation changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

10

2. Material accounting policies (continued):

(d) Financial instruments (continued):

Financial assets are classified as amortized cost. These include cash, accounts receivable, and unbilled energy revenue. Subsequent to initial recognition, financial assets at amortized cost are measured using the effective interest method, less any impairment. The Corporation measures a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortized cost. The Corporation measures loss allowances for accounts receivable and unbilled revenue via a simplified approach as permitted by IFRS 9, at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased, the Corporation performs a quantitative and qualitative analysis based on the Corporation's historical experience and forward-looking information. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off to the extent there is no realistic prospect of recovery.

The Corporation determines the classification of its financial liabilities at initial recognition. The Corporation's financial liabilities are classified as amortized cost. These include accounts payable and accrued liabilities, customer deposits, and long-term debt. Financial liabilities at amortized cost are measured using the effective interest method.

(e) Customer deposits:

Customers may be required to post security to obtain electricity or other services, which are refundable. Where the security posted is in the form of cash, these amounts are recorded in the accounts as deposits. Deposits to be refunded to customers within the next fiscal year are

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

classified as a current liability. Interest rates paid on customer deposits are based on the Bank of Canada's prime business rate less 2%.

(f) Property, plant and equipment:

Recognition and measurement

Property, plant and equipment ("PP&E") are recognized at cost less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Corporation, including eligible borrowing costs.

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

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

11

2. Material accounting policies (continued):

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

The estimated useful lives are as follows:

Asset Useful life

Land Indefinite

Substation and buildings 30 to 60 years

Poles, towers and fixtures 25 to 45 years

Overhead conductors and devices 25 to 60 years

Underground conduit 25 to 50 years

Underground conductors and devices 25 to 40 years

Services 3 to 25 years

Major spare parts such as spare transformers and other items kept as standby/back up

equipment are accounted for as PP&E since they support the corporation's distribution system

reliability. No amortization is recorded on these items until they are put into service.

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.

Gains and losses on disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of the asset, and are included in the statement of income and comprehensive income when the asset is disposed.

When an item of property, plant and equipment with related contributions in

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

aid of construction

is disposed, the remaining contributions are recognized in full in the statement of income and comprehensive income.

(g) Borrowing costs:

The Corporation capitalizes interest expenses and other finance charges directly relating to the acquisition, construction or production of assets that take a substantial period of time to get ready for its intended use. Capitalization commences when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization will be suspended during periods in which active development is interrupted. Capitalization should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

12

2. Material accounting policies (continued):

(h) Intangible assets:

Land rights

Payments to obtain rights to access land ("land rights") are classified as intangible assets.

These include payments made for easements, right of access and right of use over land for

which the Corporation does not hold title. Land rights are measured at cost less accumulated

amortization and accumulated impairment losses.

Computer software

Computer software that is acquired or developed by the Corporation, including software that is

integral to the functionality of equipment purchased, which has finite useful lives, is measured

at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is recognized in statement of income on a straight-line basis over the estimated

useful lives of intangible assets, other than goodwill, from the date that they are available for

use. Half of a year's amortization is taken for the first year. Amortization of useful lives for the

current and comparative years are:

Asset Useful life

Land rights 25 to 30 years

Computer software 3 years

(i) Impairment of non-financial assets:

The Corporation conducts annual internal assessments of the values of equipment to

determine whether there are events or changes in circumstances that indicate that their

carrying amount may not be recoverable. Where carrying value exceeds its

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information
Notes to the financial statements

recoverable amount, which is the higher of 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 an 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 inflows from other assets. An impairment loss is charged to the statement of income and comprehensive income, except to the extent it

reverses gains previously recognized in other comprehensive income.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

13

2. Material accounting policies (continued):

(j) Employee future benefits:

Pension plan

The employees of the Corporation participate in the Ontario Municipal Employees Retirement

System ("OMERS"). The Corporation also makes contributions to the OMERS plan on behalf

of its employees. The plan has a defined benefit option at retirement available to some

employees, which specifies the amount of the retirement benefit plan to be received by the

employees based on length of service and rates of pay. However, the plan is accounted for as

a defined contribution plan as insufficient information is available to account for the plan as a

defined benefit plan. The contribution payable in exchange for services rendered during a

period is recognized as an expense during that period. The Corporation is only one of a number

of employers that participates in the plan and financial information provided to the Corporation

on the basis of the contractual agreements is usually insufficient to measure the Corporation's

proportionate share in the plan's assets and liabilities for defined benefit accounting

requirements.

Post-employment defined benefit plan:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Corporation's net obligation on behalf of its retired employees unfunded life insurance

benefits is calculated by estimating the amount of future benefits that are expected to be paid

out discounted to determine its present value.

The calculation is performed by a qualified actuary using the projected unit credit method at

least every third year or when there are significant changes to workforce.

Defined benefit obligations are measured using the projected unit credit

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating the terms of the liabilities. Remeasurements of the defined benefit obligation are recognized directly within equity in other comprehensive income. The remeasurements include actuarial gains and losses. Service costs are recognized in operating expenses and include current and past service costs as well as gains and losses on curtailments. Net interest expense is recognized in finance costs and is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the balance of the net defined benefit obligation, considering the effects of benefit payments during the period. Gains or losses arising from changes to defined benefits or plan curtailment are recognized immediately in the statement of income and comprehensive income. Settlements of defined benefit plans are recognized in the period in which the settlement occurs.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

14

2. Material accounting policies (continued):

(j) Employee future benefits (continued):

Other long-term service benefits:

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities. Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement.

(k) Payments in lieu of taxes payable:

The Corporation 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 Corporation is exempt from tax under the Income Tax Act (Canada) and the Corporations Tax Act (Ontario). Under the Electricity Act, 1998, the Corporation 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

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

related regulations.

Current and deferred tax:

Provision in lieu of taxes is comprised of current and deferred tax. Current tax and deferred tax are recognized in total income and other comprehensive income except to the extent that it relates to items recognized directly in equity or regulatory deferral account balances (note 10).

Current PILs are recognized on the taxable income or loss for the current year plus any adjustment in respect of previous years. Current PILs are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date. Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base. The amount of the deferred tax asset or liability is measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date and are expected to apply when the liabilities/(assets) are settled/(recovered). The Corporation recognized deferred tax arising from temporary difference on regulatory deferral account balances.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

15

2. Material accounting policies (continued):

(k) Payments in lieu of taxes payable (continued):

At the end of each reporting period, the Corporation reassesses both recognized and unrecognized deferred tax assets. The Corporation recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(l) 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.

(m) Inventory:

Cost of inventory 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

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

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 recognized at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(n) Leases:

At the inception of the contract, the Corporation assesses whether the contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. The corporation recognizes a right-of-use ("ROU") assets and a lease liability at the lease commencement date. ROU assets are initially measured at cost and subsequently carried at cost less accumulated depreciation and impairments, if any. The initial cost of an ROU asset equals the amount of the initial measurement of the corresponding lease liability, plus any initial direct costs incurred to bring the assets into operation. Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date. The lease payments are discounted using the rate implicit in the lease, or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate which reflects the Corporation's ability to borrow money over a similar term, for an asset of similar value to the underlying asset, similar security or in a similar economic environment.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

16

2. Material accounting policies (continued):

(n) Leases (continued):

Lease liabilities are subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When a lease liability is remeasured in this way, a corresponding adjustment is made to the

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero. Payments under lease liabilities are apportioned between interest expense and a reduction of the outstanding lease liability. Where the Corporation is reasonably certain it will obtain ownership of the ROU asset before the end of the lease term, the asset is depreciated over its useful life on a straight-line basis. Otherwise, depreciation is calculated over the shorter period of the lease term and the asset's useful life. The lease term includes periods covered by an option to extend if the Corporation is reasonably certain to exercise that option. The Corporation has elected to apply the practical expedient not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(o) Future accounting standards:

i. IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board ("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 Corporation is currently assessing the impact this amendment will have on the Corporation's financial statements.

OTTAWA RIVER POWER CORPORATION
Notes to Financial Statements (continued)

Year ended December 31, 2025

17

2. Material accounting policies (continued):

(o) Future accounting standards (continued):

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

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

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.

3. Use of estimates and judgments:

The Corporation makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Payments in lieu of taxes payable:

The Corporation is required to make payments in lieu of tax calculated on the same basis as income taxes on taxable income earned and capital taxes. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues based on the Corporation'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 period in which such determination is made.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

18

3. Use of estimates and judgments (continued):

Accounts receivable impairment:

In determining the allowance for doubtful accounts, the Corporation considers historical loss experience of account balances based on the aging and arrears status of accounts receivable balances, observable changes in national or local economic conditions that correlate with default on receivables, financial difficulty of the borrower, and it becoming probable that the borrower will enter bankruptcy or financial re-organization.

Useful lives of depreciable assets:

Depreciation expense is calculated based on estimates of the useful lives of equipment.

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Management estimates the useful lives of the various types of assets using assumptions and estimates of life characteristics of similar assets based on a long history of experience.

4. Accounts receivable:

2025 2024

Residential and commercial energy and rentals \$ 2,963,393 \$ 2,972,822

Work at customers premises 152,795 109,344

HST recoverable 193,547 142,615

Other miscellaneous receivables 975,801 282,905

4,285,536 3,507,686

Allowance for doubtful accounts (748,654) (584,890)

\$ 3,536,882 \$ 2,922,796

Due to their short-term natures, the carrying amounts of the various components of accounts

receivable approximate their fair values.

5. Related party transactions:

(a) The ultimate parent:

The common shares of Ottawa River Power Corporation are owned by the City of Pembroke,

the Municipality of Mississippi Mills, the Township of Killaloe-Hagarty-Richards and the

Township of Whitewater Region, which all constitute local governments.

Consequently, the

Corporation 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.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

19

5. Related party transactions (continued):

(b) Transactions with related parties:

The following summarizes the Corporation's related party transactions for the year. These

transactions are in the normal course of operations and are measured at the exchange value

(the amount of consideration established and agreed to by the related parties).

Ottawa River Energy Solutions Inc.

A summary of amounts charged by the Corporation to the Ottawa River Energy Solutions Inc.

are as follows:

2025 2024

Labour on customer premises \$ 197,193 \$ 363,692

Administration services 17,237 15,836

Rent and service charges 38,129 37,044

\$ 252,559 \$ 416,572

Included in the statement of income and comprehensive income is fibre services of \$12,240

(2024 - \$12,240) and solar generation of \$28,850 (2024 - \$32,969) paid to Ottawa River Energy

Solutions Inc.

At December 31, 2025, the Corporation has accounts payable and accrued

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

liabilities of \$23,531
(2024 - \$31,446) due to Ottawa River Energy Solutions Inc., prepaids of \$1,020 (2024 - \$nil) and accounts receivable include \$39,249 (2024 - \$23,344) due from Ottawa River Energy Solutions Inc. Ottawa River Energy Solutions Inc. is affiliated by virtue of common ownership.

Corporation of the City of Pembroke
The Corporation provides electricity and services to the principal shareholder, the City of Pembroke. Electrical energy is sold to the City at the same prices and terms as other electricity customers consuming equivalent amounts of electricity. Included in the statement of income and comprehensive income is electrical energy of \$895,635 (2024 - \$936,143) charged by the Corporation to the City of Pembroke.

OTTAWA RIVER POWER CORPORATION
Notes to Financial Statements (continued)
Year ended December 31, 2025
20

5. Related party transactions (continued):
(b) Transactions with related parties (continued):
At December 31, 2025, accounts payable and accrued liabilities include \$146 (2024 - \$424) due to the City of Pembroke and accounts receivable include \$105,105 (2024 - \$88,461) due from the City of Pembroke.
Dividends in the amount of \$Nil (2024 - \$Nil) have been paid to the City of Pembroke. Property taxes and water and sewer charges paid to the City of Pembroke amounted to \$50,503 (2024 - \$49,724). The Corporation incurred interest on the financing provided by the City of Pembroke in the amount of \$152,304 (2024 - \$152,304).

(c) Key management personnel compensation:
The key management personnel of the Corporation has been defined as members of its board of directors and executive management team members.

2025 2024
Board of directors' fees \$ 49,252 \$ 50,287
Short-term employment benefits and salaries 727,837 676,433
Post-employment benefits 74,331 70,132
\$ 851,420 \$ 796,852

6. Inventory:
Inventory consists of maintenance and construction materials amounting to \$926,897 (2024 - \$1,001,590).

OTTAWA RIVER POWER CORPORATION
Notes to Financial Statements (continued)
Year ended December 31, 2025
21

7. Property, plant and equipment:
Poles, Overhead Underground
Substation and towers and conductors Underground conductor 2025
Land buildings fixtures and devices conduit and devices Services Total

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Cost:

Balance,

December 31, 2024 \$ 258,350 \$ 487,369 \$ 7,507,129 \$ 7,354,344 \$ 1,900,113 \$
4,162,849 \$ 4,426,314 \$ 26,096,468

Additions during the year - 49,980 678,609 426,426 331,325 839,742 414,026
2,740,108

Balance, December 31, 2025 258,350 537,349 8,185,738 7,780,770 2,231,438
5,002,591 4,840,340 28,836,576

Accumulated depreciation:

Balance,

December 31, 2024 - 47,711 1,315,626 1,938,379 507,085 935,455 2,845,467
7,589,723

Depreciation for the year - 27,577 242,255 186,520 75,378 168,728 284,373
984,831

Balance, December 31, 2025 - 75,288 1,557,881 2,124,899 582,463 1,104,183
3,129,840 8,574,554

Net book value:

Balance, December 31, 2025 \$ 258,350 \$ 462,061 \$ 6,627,857 \$ 5,655,871 \$
1,648,975 \$ 3,898,408 \$ 1,710,500 \$ 20,262,022

Balance, December 31, 2024 \$ 258,350 \$ 439,658 \$ 6,191,503 \$ 5,415,965 \$
1,393,028 \$ 3,227,394 \$ 1,580,847 \$ 18,506,745

During the year, no provision for the cost of funds used during construction
was capitalized.

The Corporation has entered into non-cash transactions relating to property,
plant and equipment that have been excluded from the statement of cash
flows. Accounts payable and accrued liabilities contain \$235,353 of amounts
pertaining to additions to property, plant and equipment.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

22

7. Property, plant and equipment (continued):

Poles, Overhead Underground Assets

Substation and towers and conductors Underground conductor under 2024

Land buildings fixtures and devices conduit and devices Services construction

Total

Cost:

Balance,

December 31, 2023 \$ 258,350 \$ 602,770 \$ 7,345,698 \$ 6,832,441 \$ 1,609,718 \$
3,674,076 \$ 4,214,873 \$ (117,479) \$ 24,420,447

Additions during the year - 63,476 403,348 583,582 297,107 597,413 531,121 -
2,476,047

Disposals/transfers - (117,479) - - - 117,479 -

during the year - (178,877) (124,438) (61,679) (6,712) (108,640) (319,680) -
(800,026)

Balance, December 31, 2024 258,350 487,369 7,507,129 7,354,344 1,900,113
4,162,849 4,426,314 26,096,468

Accumulated depreciation:

Balance,

December 31, 2023 - 201,047 1,218,484 1,796,656 442,654 889,168 2,825,997 -
7,374,006

Depreciation for the year - 25,541 221,580 203,402 71,143 154,927 339,150 -
1,015,743

Disposals during the year - (178,877) (124,438) (61,679) (6,712) (108,640)
(319,680) - (800,026)

Balance, December 31, 2024 - 47,711 1,315,626 1,938,379 507,085 935,455

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

2,845,467 - 7,589,723

Net book value:

Balance,

December 31, 2024 \$ 258,350 \$ 439,658 \$ 6,191,503 \$ 5,415,965 \$ 1,393,028 \$
3,227,394 \$ 1,580,847 \$ - \$ 18,506,745

Balance,

December 31, 2023 258,350 401,723 6,127,214 5,035,785 1,167,064 2,784,908
1,388,876 (117,479) 17,046,441

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

23

8. Intangible assets:

Intangible assets consist of the following:

Land Computer

rights software Total

Cost:

Balance, December 31, 2024 \$ 20,326 \$ 384,935 \$ 405,261

Additions - 26,796 26,796

Balance, December 31, 2025 20,326 411,731 432,057

Accumulated amortization:

Balance, December 31, 2024 3,810 266,750 270,560

Amortization for the year 2,542 75,960 78,502

Balance, December 31, 2025 6,352 342,710 349,062

Carrying amount:

Balance, December 31, 2024 16,516 118,185 134,701

Balance, December 31, 2025 13,974 69,021 82,995

Cost:

Balance, December 31, 2023 \$ 20,326 \$ 347,195 \$ 367,521

Additions - 43,213 43,213

Disposals - (5,473) (5,473)

Balance, December 31, 2024 20,326 384,935 405,261

Accumulated amortization:

Balance, December 31, 2023 1,270 176,061 177,331

Amortization for the year 2,540 98,162 98,702

Disposals - (5,473) (5,473)

Balance, December 31, 2024 3,810 266,750 270,560

Carrying amount:

Balance, December 31, 2023 19,056 171,134 190,190

Balance, December 31, 2024 16,516 118,185 134,701

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

24

9. Payments in lieu of corporate income taxes:

PILs recognized in total income comprise the following:

2025 2024

Current tax expense:

Current year \$ 42,609 \$ -

Deferred tax expense:

Origination and reversal of temporary differences 123,290 113,664

\$ 165,899 \$ 113,664

Statutory Canadian federal and provincial tax rates for the current year
comprise 15% (2024 - 15%)

for federal corporate tax and 11.5% (2024 - 11.5%) for corporate tax in
Ontario. The PILs expense

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

varies from amounts which would be computed by applying the Corporation's combined statutory

income tax rate as follows:

2025 2024

Income before provision for PILs \$ 448,962 \$ 397,570

Statutory Canadian federal and provincial tax rate 26.5% 26.5%

Provision for PILs at statutory rate 118,975 105,356

Increase in income tax resulting from:

Permanent differences 4,016 608

Prior period adjustment 42,609 -

Other 299 7,700

\$ 165,899 \$ 113,664

Effective tax rate 36.95% 28.59%

The movement in the deferred tax asset/(liability) is as follows:

2025 2024

Opening balance, January 1 \$ 61,708 \$ 175,372

Recognized in regulatory deferral credits (123,290) (113,664)

Closing balance, December 31 \$ (61,582) \$ 61,708

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

25

9. Payments in lieu of corporate income taxes (continued):

Deferred tax assets are attributable to the following:

2025 2024

Property, plant and equipment \$ (341,477) \$ (227,738)

Employee future benefits 110,030 93,872

Non-capital loss carryforward 169,865 195,574

\$ (61,582) \$ 61,708

The utilization of this tax asset (liability) is dependent on future taxable profits in excess of profits

arising from the reversal of existing taxable temporary differences. The

Corporation believes that

this asset should be recognized as it will be recovered through future services.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

26

10. Regulatory deferral accounts:

All amounts deferred as regulatory account debit balances are subject to approval by the OEB. As

such, amounts subject to deferral could be altered by the regulators.

Due to previous, existing or expected future regulatory articles or

decisions, the Corporation has

the following amounts expected to be recovered from customer (returned to customers) in future

periods and as such regulatory deferral account balances are comprised of:

Balances

December 31, arising in Recovery/ Other December 31,

2024 the period reversal movements* 2025

Regulatory assets:

RARA approved

May 1, 2021 \$ 1,869 \$ 15 \$ - \$ - \$ 1,884

RARA Approved

May 1, 2023 - 10,087 - - 10,087

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

RARA Approved

May 1, 2025 - 186,657 - - 186,657

Retail settlement variances 1,059,242 (1,059,242) - - -

Other variance 19,493 28,979 - - 48,472

Regulatory asset for

deferred income taxes - 61,582 - - 61,582

1,080,604 (771,922) - - 308,682

Regulatory liabilities:

Regulatory liability for

deferred income taxes 61,708 (61,708) - - -

RARA approved

May 1, 2022 13,469 339 - - 13,808

RARA Approved

May 1, 2023 94,740 (94,740) - - -

RARA Approved

May 1, 2024 2,904,561 (1,421,130) - - 1,483,431

Power Purchase True-Up 1,304,250 (953,758) - - 350,492

Retail settlement variances - 597,515 - - 597,515

4,378,728 (1,933,482) - - 2,445,246

Net regulatory liability \$ (3,298,124) \$1,161,560 \$ - \$ - \$ (2,136,564)

*Other movements represent reclassifications of balances.

Carrying charges

Carrying charges are calculated monthly on the opening balance of the applicable variance account

using a specified interest rate as outlined by the OEB. The Corporation intends to seek recovery of carrying charge income earned in future rate applications.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

27

10. Regulatory deferral accounts (continued):

Regulatory asset recovery accounts ("RARA")

The RARA are 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 RARA are subject to carrying charges following the OEB

prescribed methodology and rates.

Retail settlement variances ("RSVAs")

RSVAs are comprised of the variances between amounts charged by the Corporation to its

customers, based on regulated rates, and the corresponding cost of non-competitive electricity

service incurred by the Corporation. The settlement variances relate primarily to service charges,

non-competitive electricity charges and the global adjustment. Accordingly, the Corporation 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 calculated and attracts carrying charges in accordance with the OEB's

direction.

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Deferred income taxes

This regulatory liability account relates to the expected future electricity distribution rate adjustments for customers arising from timing differences in the recognition of future income taxes.

Power Purchase True-Up

Effective July 1, 2023, the Electricity Act, 1998 was amended to exempt global adjustment charges for customers who consume electricity supplied outside Ontario. As the Company purchased a portion of their electricity from Quebec the Company is no longer paying global adjustment charges for those purchases. This account was established to refund the over-collection of global adjustment charges from rate payers since July 1, 2023 and collect increased electricity costs of the Quebec purchases since July 1, 2023.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

28

11. Accounts payable and accrued liabilities:

2025 2024

Hydro One \$ 6,768,995 \$ 4,137,203

Embedded generation 177,898 336,916

Trade payables 447,742 675,556

Accrued interest on long-term debt 228 191

Customer credit balances 471,928 486,324

Other accounts payable and accruals 573,029 465,401

Customer deposits 26,528 13,234

Due to related parties 23,677 31,911

\$ 8,490,025 \$ 6,146,736

Due to its short-term nature, the carrying amount of the accounts payable and accrued liabilities approximates its fair value.

12. Contributions in aid of construction:

The continuity of deferred contributions in aid of construction is as follows:

2025 2024

Deferred contributions, net, beginning of year \$ 2,225,639 \$ 1,981,232

Contributions in aid of construction received 318,289 295,457

Contributions in aid of construction recognized

as other revenue (61,037) (51,050)

Deferred contributions, net, end of year \$ 2,482,891 \$ 2,225,639

All contributions in aid of construction are cash contributions. There has not been any contributions of property, plant and equipment.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

29

13. Employee future benefits:

(a) Pension plan:

The employees of the Corporation participate in the OMERS. Although the plan has a defined retirement benefit plan for employees, the related obligation of the Corporation cannot be

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

identified. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. The plan specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The plan is financed by equal contributions from participating employers and employees, and by the investment earnings of the fund. The employer portion of amounts paid to OMERS during the year was \$244,228 (2024 - \$224,558).

The contributions were made for current service and these have been recognized in total income.

Each year, an independent actuary determines the funding status of OMERS Primary Pension

Plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2025. The results of this valuation disclosed total actuarial liabilities of \$149.6 billion (2024 - \$140.8 billion) in respect of benefits accrued for service with actuarial assets at that date of \$145.2 billion (2024 - \$137.9 billion), indicating an actuarial deficit of \$1.3 billion (2024 - \$2.9 billion). Because OMERS is a multiemployer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees, as a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit.

OTTAWA RIVER POWER CORPORATION
Notes to Financial Statements (continued)
Year ended December 31, 2025
30

13. Employee future benefits:

(b) Post-employment life insurance plan:

The Corporation provides unfunded life insurance benefits on behalf of its retired employees.

These benefits are provided through a group defined benefit plan. The Corporation has reported its share of the defined benefit costs and related liabilities, as calculated by an actuary, in these financial statements. The accrued benefit liability and the expense for the Year ended December 31, 2025 is based on results determined by actuarial valuation as at December 31, 2025.

The plan is exposed to a number of risks, including:

Interest rate risk: decreases/increases in the discount rate used (high quality corporate bonds) will increase/decrease the defined benefit obligation.

Longevity risk: changes in the estimation of mortality rates of current and former

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information
Notes to the financial statements

employees.

Information about the group unfunded defined benefit plan as a whole and changes in the present value of the unfunded defined benefit obligation and the accrued benefit liability are as follows:

2025 2024

Defined benefit obligation, beginning of year \$ 260,361 \$ 303,181

Amounts recognized in net income:

Current service cost - 1,408

Past Service cost - (33,401)

Interest on cost obligation 11,646 13,375

11,646 (18,618)

Benefit payments (25,128) (27,677)

Projected defined benefit obligation before

actuarial valuation 246,879 256,886

Actuarial loss recognized in other comprehensive income 58,299 3,475

Defined benefit obligation, end of year \$ 305,178 \$ 260,361

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

31

13. Employee future benefits (continued):

(b) Post-employment life insurance plan (continued):

Significant actuarial assumptions for the measurement of the defined benefit obligation as at

December 31 are as follows:

2025 2024

Discount rate 4.90% 4.70%

Rate of compensation increase Not applicable 2.65%

Retirement age Variable Variable

Sensitivity analysis for each significant actuarial assumption to which the Corporation is

exposed is as follows:

1% decrease in the discount rate increases the defined benefit obligation by \$36,900.

1% increase in the discount rate decreases the defined benefit obligation by \$30,500.

Change with 1-year greater life expectancy increase the defined benefit obligation by

\$7,800.

Change with 1-year increase in retirement age assumption decrease the defined benefit

obligation by \$nil.

The expected average remaining service lifetime at December 31, 2025 was 11

years

(2024 - 12.6 years).

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

32

14. Long-term debt:

2025 2024

3.49% Promissory note payable to the Corporation

of the City of Pembroke, due May 1, 2032 \$ 4,364,000 \$ 4,364,000

3.49% Promissory note payable to the Corporation of

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

the Township of Whitewater Region, due May 1, 2032 147,000 147,000
3.49% Promissory note payable to the Corporation
of the Township of Killaloe, Hagarty and Richards,
due May 1, 2032 172,348 172,348
3.49% Promissory note payable to the Corporation
of the Municipality of Mississippi Mills, due May 1, 2032 902,490 902,490
2.56% Promissory note payable in blended monthly
payments of \$ 7,112 to Ontario Infrastructure and
Lands Corporation, due June 30, 2050 1,552,076 1,597,062
5.13% Bank loan payable in blended monthly
payments of \$3,988, due August 31, 2030 492,070 -
7,629,984 7,182,900
Less: current portion of long-term debt 69,308 44,986
\$ 7,560,676 \$ 7,137,914
Interest on promissory notes is calculated annually and payable quarterly to
the shareholders.
In September 2025, the Corporation entered into a \$500,000 loan agreement
with Bank of
Montreal. The loan bears interest at 5.13% and matures on August 31, 2030.
The fair value of the long-term debt is estimated at \$1,266,573 (December 31,
2024 - \$1,165,145)
for the Ontario Infrastructure and Lands Corporation debenture, \$508,778
(December 31, 2024 -
\$nil) for the Bank of Montreal Bank Loan and \$5,563,307 (December 31, 2024 -
\$5,558,601) in
aggregate for the shareholder promissory notes due in 2032. Fair value was
determined based on
discounting all estimated future repayments of principal and interest
required to fully repay the debt
at the estimated interest rate that would be available to the Corporation on
December 31, 2025 for
these financial instruments. The fair value measurement which has been
disclosed is included in
level 2 of the fair value hierarchy.
OTTAWA RIVER POWER CORPORATION
Notes to Financial Statements (continued)
Year ended December 31, 2025
33

15. Capital stock:

(a) Authorized:

Unlimited number of common shares

Unlimited number of non-cumulative special shares

Unlimited number of non-voting, non-cumulative Class A special shares,
redeemable at one
dollar per share

Unlimited number of non-voting, non-cumulative Class B special shares,
redeemable at one
dollar per share

Unlimited number of non-voting, non-cumulative Class C special shares,
redeemable at one
dollar per share

Unlimited number of non-voting, non-cumulative Class D special shares,
redeemable at one
dollar per share

Articles of amendment were issued on October 17, 2014 to authorize the Class
A, B, C and D

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

special shares. Class A, B, C and D special shares were issued on January 15, 2015.

Dividends on special shares are payable at the discretion of the Board of Directors.

(b) Issued:

As at December 31, 2025, the common shares of the Corporation are held as follows:

Common Percentage
shares ownership

Corporation of the City of Pembroke 4,364 78.38%

Corporation of the Municipality of Mississippi Mills 888 15.95%

Corporation of the Township of Killaloe, Hagarty and Richards 169 3.03%

Corporation of the Township of Whitewater Region 147 2.64%

5,568 100%

No movement in common share capital has occurred during 2025 or 2024.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

34

15. Capital stock (continued):

(b) Issued (continued):

As at December 31, 2025, the special shares of the Corporation are held as follows:

Special
shares Class

Corporation of the City of Pembroke 4,364 A

Corporation of the Municipality of Mississippi Mills 888 B

Corporation of the Township of Killaloe, Hagarty and Richards 169 C

Corporation of the Township of Whitewater Region 147 D

5,568

The special shares were issued on January 15, 2015. There was no movement on special

share capital during 2025 or 2024.

(c) Dividends per share:

During 2025, the Corporation paid no dividends (2024 - \$nil).

16. Commitments:

City of Pembroke

The Corporation rents its premises in Pembroke, Ontario, from the Corporation of The City of

Pembroke under the terms of a ten-year operating lease at an annual rental of \$12. The lease

contained an option which allowed the lessee to purchase the property on or

before December 1,

2009, at a cost of three hundred and sixty thousand, five hundred and eighty-

three dollars

(\$360,583) together with any assessable environmental clean-up costs. The

Corporation is

currently in discussions with the Corporation of the City of Pembroke

regarding the status of this

lease.

Mississippi River Power Corporation

The Corporation rents office premises from Mississippi River Power

Corporation at an annual cost

of \$15,732. The lease expires on September 30, 2028.

The Corporation rents substation premises from Mississippi River Power

Corporation at a monthly

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

cost of \$575. The lease expires on December 31, 2026.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

35

16. Commitments (continued):

Municipality of Mississippi Mills

The Corporation executed a new lease agreement effective December 1, 2023.

The lease expires

on November 30, 2026. The Corporation is committed to \$90,400 annual minimum rent payment

under the agreement.

17. Contingencies:

Insurance claims:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange

("MEARIE"). A reciprocal insurance exchange may be defined as a group of persons formed for

the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other.

MEARIE is licensed to provide general liability insurance to member electric utilities.

Insurance premiums charged to each municipal electric utility consist of a levy per thousand dollars

of service revenue subject to a credit or surcharge based on each electric utility's claims

experience. Effective January 1, 2001, coverage is provided to a level of \$20 million per incident.

No provision has been made for these potential liabilities as the Corporation expects that these

claims are adequately covered by its insurance.

18. Revenue:

2025 2024

Revenue from contracts with customers:

Power recovery \$ 24,834,416 \$ 24,170,079

Distribution:

Residential service 3,593,895 3,331,536

General service 1,056,369 850,150

Larger users 974,658 982,238

5,624,922 5,163,924

\$ 30,459,338 \$ 29,334,003

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

36

18. Revenue (continued):

2025 2024

Other operating revenue:

Late payment charges \$ 56,017 \$ 65,420

Property and equipment rent 179,063 72,084

Change of occupancy and connection fees 39,210 37,260

Unregulated contracting 472,424 617,337

Interest 91,388 238,912

Billing and collection charges 13,690 15,647

Gain on disposal of property, plant and equipment 14,626 9,506

Recoverable work 891 -

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

\$ 867,309 \$ 1,056,166

19. Expenses by nature:

Distribution operation and maintenance

2025 2024

Materials, supplies, small tools recovery \$ 143,148 \$ 41,481

Salaries and benefits 1,412,196 1,070,283

Training and travel 54,803 30,744

Office and general 225,197 161,604

Utilities 68,736 63,372

Property taxes 33,557 29,453

\$ 1,937,637 \$ 1,396,937

Community relations

2025 2024

Advertising \$ 20,565 \$ 24,000

Safety program 3,021 5,510

\$ 23,586 \$ 29,510

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

37

19. Expenses by nature (continued):

Billing and collecting

2025 2024

Smart meter reading and operations \$ 39,992 \$ 42,111

Postage 155,914 145,620

Salaries and benefits 445,415 422,349

Information technology 164,916 265,073

Office and general 163,382 59,254

Bad debts 153,985 124,611

Collection agency costs 9,485 2,313

\$ 1,133,089 \$ 1,061,331

General and administrative

2025 2024

Salaries and benefits \$ 790,245 \$ 851,680

Memberships, fees and dues 92,961 93,120

Legal 2,467 30,365

Audit 57,345 64,093

Engineering 5,250 -

Professional services 3,200 1,950

Building maintenance 116,993 112,609

Advertising 35,495 7,500

Regulatory 156,875 159,029

Information technology 220,815 196,039

Telephone 37,247 32,885

Insurance 84,983 75,205

Bank charges 22,806 21,424

Office supplies and materials 33,736 19,472

\$ 1,660,418 \$ 1,663,371

20. Financial risk management:

As part of its operations, the Corporation carries out transactions that expose it to financial risks

such as credit, liquidity and market risks. The following is a discussion of risks and related mitigation

strategies that have been identified by the Corporation for financial

instruments. This is not an

exhaustive list of all risks, nor will the mitigation strategies eliminate

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

all risks identified.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

38

20. Financial risk management (continued):

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. The maximum credit exposure is limited to the carrying amount of cash, accounts receivable, and unbilled energy revenue presented on the balance sheet.

The Corporation limits its exposure to credit loss by placing its cash with a high credit quality financial institution. The Corporation maintains cash with two major financial institutions.

Eligible deposits per financial institution are insured to a maximum basic insurance level of

\$100,000, including principal and interest by the Canada Deposit Insurance Corporation. The

Corporation is exposed to credit risk related to accounts receivable and unbilled revenue arising

from its day-to-day electricity and service revenue. Exposure to credit risk is limited due to the

Corporation's large and diverse customer base. The Corporation has approximately 12,000

customers, the majority of which are residential. No single customer accounts for revenue in

excess of 10% of total revenue. The Corporation limits its credit risk by collecting deposits,

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. Although these rules limit the risk of the Corporation, no deposits are required

by customers who have shown good payment history for the previous 12-month period. The

Corporation believes that its accounts receivable represent a low credit risk.

The carrying amount of accounts receivable is reduced through the use of an allowance for

doubtful accounts and the amount of the related impairment loss is recognized in net income.

The provision is based on account age and customer standing. Subsequent recoveries of

receivables previously provisioned are credited to net income.

The value of accounts receivable, by age, and the related bad debt provision are presented in

the following table. Unbilled energy revenue which is not included in the table below is

considered all current.

2025 2024

Under 30 days \$ 3,356,709 \$ 2,670,570

30 to 60 days 74,017 103,801

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

61 to 90 days 51,681 66,170
Over 90 days 803,129 667,145
4,285,536 3,507,686

Allowance for doubtful accounts (748,654) (584,890)
Total accounts receivable \$ 3,536,882 \$ 2,922,796

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

39

20. Financial risk management (continued):

(a) Credit risk:

The following table reconciles the opening and closing loss allowance for trade and other

receivables:

2025 2024

Balance, beginning of year \$ 584,890 \$ 474,434

Net remeasurement of loss allowance 153,985 115,322

Write-offs (875) (14,373)

Recoveries of amounts previously written off 10,654 9,507

Balance, end of year \$ 748,654 \$ 584,890

Net remeasurement of loss allowance \$ 153,985 \$ 115,322

Recoveries of amounts previously written off - 9,289

Bad debt expense \$ 153,985 \$ 124,611

(b) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as

they come due. The Corporation monitors its liquidity risk to ensure access to sufficient funds

to meet operational and investing requirements. The Corporation's objective is to ensure that

sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest

exposure. The Corporation has access to a \$1,000,000 line of credit and monitors cash

balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments

as they come due.

0 to 3 3 months 1 year to

months to 1 year 2 years Thereafter

Accounts payable and

accrued liabilities \$ 8,490,025 \$ - \$ - \$ -

Debt obligations 82,036 246,109 303,773 8,582,050

Total, December 31, 2025 \$ 8,572,061 \$ 246,109 \$ 303,773 \$ 8,582,050

(c) Market risk:

The Corporation is not exposed to significant market risk given they do not have investments

in foreign currency, and have minimal investment in interest bearing instruments.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

40

21. Energy purchase:

The Corporation is dependent on Hydro One for a significant portion of the electricity it purchases.

The amount owing to Hydro One at December 31, 2025 is \$6,768,995 (2024 -

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

\$4,137,203).

Included in cost of power in the statement of income and comprehensive income is \$22,581,541

(2024 - \$19,620,180) purchased from Hydro One.

22. Bank indebtedness, bankers' acceptances and letters of credit:

The Corporation has a bilateral demand line of credit for \$1,000,000 with a Canadian chartered

bank. The line of credit bears interest at the bank's prime rate. At December 31, 2025, \$nil had

been drawn on the line of credit (2024 - \$Nil).

There is one credit facility bearing general, non-financial covenants, which the amount drawn from

is \$nil as at December 31, 2025.

23. Capital management:

The Corporation considers its capital to be its long-term debt, capital stock and retained earnings.

The Corporation's main objectives when managing capital are to: (i) ensure sufficient liquidity to

maintain and improve its electricity distribution system, support its financial obligations and execute

its operating and strategic plans; ii) minimize the cost of capital while taking into consideration

current and future industry, market and economic risks and conditions; iii) maintain an optimal

capital structure that provides necessary financial flexibility and considers recoveries of financing

charges permitted by the OEB, while also ensuring compliance with any financial covenants, and

iv) provide an adequate return to its shareholders.

The Corporation relies on its cash flow from operations to fund its dividend distributions to its

shareholders.

Canada Revenue
AgencyAgence du revenu
du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see 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	224,763	A1
Net income (loss) after extraordinary items from line 110 of Schedule 150	0	A2
Total	224,763	A

Add:

Provision for income taxes – current	101	42,609	
Provision for income taxes – deferred	102	123,290	
Interest and penalties on taxes	103	14,315	
Amortization of tangible assets	104	993,616	
Non-deductible meals and entertainment expenses	121	839	
Other reserves on lines 270 and 275 from Schedule 13	125	584,890	
Reserves from financial statements – balance at the end of the year	126	1,053,832	
Subtotal of additions		2,813,391	2,813,391

Add:

Other additions:

1 Description	2 Amount		
605	295		
1 CIAC increase	318,289		
2 OCI loss included	58,299		
3 Additional amortization included	69,717		
4 Gain on disposal	14,626		
Total of column 2	460,931	296	460,931
Subtotal of other additions		199	460,931
Total additions		500	3,274,322
Amount A plus line 500			3,499,085

Deduct:

Gain on disposal of assets per financial statements	401	14,626	
Capital cost allowance from Schedule 8	403	1,554,532	
Other reserves on line 280 from Schedule 13	413	748,654	
Reserves from financial statements – balance at the beginning of the year	414	845,251	
Subtotal of deductions		3,163,063	3,163,063

Deduct:

Other deductions:

1 Description	2 Amount
705	395
1 Amortization of contributions in aid of construction	61,037
2 FT in regulatory liabilities	123,290

	1 Description	2 Amount			
	705	395			
3	Election - 13(7.4)	318,289			
	Total of column 2	502,616	396	502,616	
			Subtotal of other deductions	499	502,616
			Total deductions	510	3,665,679
					502,616 E
					3,665,679
					-166,594 C
	Net income (loss) for income tax purposes (amount B minus line 510)				
	Enter amount C on line 300 of the T2 return.				



Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, limited partnership loss, or restricted interest and financing expense; to determine the amount of restricted farm losses, limited partnership losses, and restricted interest and financing expenses (RIFE) that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- All legislative references are to the federal Income Tax Act.
- According to subsection 111(4), when control has been acquired, no amount of capital loss incurred in a tax year ending before that time is deductible when calculating taxable income for a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible when calculating taxable income for a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses except as listed in paragraphs 111(5)(a) and (b), and of RIFE except as listed in paragraph 111(5)(a).
- For information on these losses, see Guide T4012, T2 Corporation – Income Tax.
- File this schedule with the T2 Corporation Income Tax Return, or send the schedule by itself to the tax centre where the return is filed.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-166,594	1A
RIFE deducted in the year under paragraph 111(1)(a.1) (enter as a positive amount)	1B		
Net capital losses deducted in the year (enter as a positive amount)	1C		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)	1D		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)	1E		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)	1F		
Employer deduction for non-qualified securities – Paragraph 110(1)(e)	1G		
Subtotal (total of amounts 1B to 1G)			1H
Subtotal (amount 1A minus amount 1H; if positive, enter "0")		-166,594	1I

Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions			1J
Subtotal (amount 1I minus amount 1J)		-166,594	1K

Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)			1L
Current-year non-capital loss (amount 1K plus amount 1L, if positive enter "0")		-166,594	1M
If amount 1M is negative, enter it on line 110 as a positive amount.			

Continuity of non-capital losses and request for a carryback

Non-capital losses at the end of the previous tax year		292,485	1N
Non-capital loss expired ¹	100		
Non-capital losses at the beginning of the tax year (amount 1N minus line 100)	102	292,485	
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary ² corporation	105		
Current-year non-capital loss (from amount 1M)	110	166,594	
Subtotal (line 105 plus line 110)		166,594	1O
Subtotal (line 102 plus amount 1O)		459,079	1P

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

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

Part 1 – Non-capital losses (continued)

Other adjustments (includes adjustments for an acquisition of control)	150	
Section 80 – Adjustments for forgiven amounts	140	
Subsection 111(10) – Adjustments for fuel tax rebate		
Non-capital losses of previous tax years applied in the current tax year	130	
Enter the amount from line 130 on line 331 of the T2 return.		
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax ³	135	
Subtotal (total of lines 150, 140, 130 and 135)		1Q
Non-capital losses before any request for a carryback (amount 1P minus amount 1Q)		459,079 1R

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	
Second previous tax year to reduce taxable income	902	
Third previous tax year to reduce taxable income	903	
First previous tax year to reduce taxable dividends subject to Part IV tax	911	
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)		1S
Closing balance of non-capital losses to be carried forward to future tax years (amount 1R minus amount 1S)	180	459,079

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

Part 2 – Capital losses**Continuity of capital losses and request for a carryback**

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

Note

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

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

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

Part 2 – Capital losses (continued)

Capital losses from previous tax years applied against the current-year net capital gain ⁶	225	
Capital losses before any request for a carryback (amount 2F minus line 225)		2G
Request to carry back capital loss to: ⁷		
	Capital gain (100%)	Amount carried back (100%)
First previous tax year	951	
Second previous tax year	952	
Third previous tax year	953	
Subtotal (total of lines 951 to 953)		2H
Closing balance of capital losses to be carried forward to future tax years (amount 2G minus amount 2H) ⁸	280	

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

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

⁸ Capital losses can be carried forward indefinitely.

Part 3 – Farm losses**Continuity of farm losses and request for a carryback**

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

Request to carry back farm loss to:

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

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

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

Part 4 – Restricted farm losses**Current-year restricted farm loss**

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

Continuity of restricted farm losses and request for a carryback

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

Request to carry back restricted farm loss to:

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

Note

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

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

Part 5 – Listed personal property losses**Continuity of listed personal property losses and request for a carryback**

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

Request to carry back listed personal property loss to:

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

¹² A listed personal property loss expires after **seven tax years**.

Part 7 – Limited partnership losses**Current-year limited partnership losses**

1	2	3	4	5	6	7
Partnership account number	Tax year ending YYYY/MM/DD	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, clean economy tax credit, farming losses, and resource expenses ¹⁵	Column 4 minus column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 minus column 6)
600	602	604	606	608		620
Total (enter this amount on line 222 of Schedule 1)						

1.

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

1	2	3	4	5	6	7
Partnership account number	Tax year ending YYYY/MM/DD	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, clean economy tax credit, business or property losses, and resource expenses ¹⁵	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

1.

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

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

1.

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

¹⁵ Clean economy tax credit is defined in subsection 127.47(1).

Part 8 – Restricted interest and financing expenses (RIFE)**Continuity of RIFE**

RIFE at the end of the previous tax year **700** _____

RIFE transferred on an amalgamation or on the wind-up of a subsidiary corporation **705** _____

RIFE adjustments for an acquisition of control **750** _____

Subtotal (line 700 **plus** line 705 **minus** line 750) **8A**

Enter amount 8A on line 128 in Part 2J of Schedule 130, Excessive Interest and Financing Expenses Limitation.

Current-year restricted interest and financing expense determined under subsection 111(8)
(amount A from Part 2O of Schedule 130) **710** _____

RIFE deducted for the tax year ¹⁶ **730** _____

Enter the amount from line 730 on line 336 of the T2 return.

Closing balance of RIFE (amount 8A **plus** line 710 **minus** line 730) **780** _____

¹⁶ The amount deducted **must** not exceed amount B in Part 2J of Schedule 130.

Part 9 – Election under paragraph 88(1.1)(f)

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

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

Note

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

See the privacy notice on your return.

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	166,594			N/A		166,594
1st preceding taxation year 2024-12-31	23,382	N/A		N/A			23,382
2nd preceding taxation year 2023-12-31	269,103	N/A		N/A			269,103
3rd preceding taxation year 2022-12-31		N/A		N/A			
4th preceding taxation year 2021-12-31		N/A		N/A			
5th preceding taxation year 2020-12-31		N/A		N/A			
6th preceding taxation year 2019-12-31		N/A		N/A			
7th preceding taxation year 2018-12-31		N/A		N/A			
8th preceding taxation year 2017-12-31		N/A		N/A			
9th preceding taxation year 2016-12-31		N/A		N/A			
10th preceding taxation year 2015-12-31		N/A		N/A			
11th preceding taxation year 2014-12-31		N/A		N/A			
12th preceding taxation year 2013-12-31		N/A		N/A			
13th preceding taxation year 2012-12-31		N/A		N/A			
14th preceding taxation year 2011-12-31		N/A		N/A			
15th preceding taxation year 2010-12-31		N/A		N/A			
16th preceding taxation year 2009-12-31		N/A		N/A			
17th preceding taxation year 2008-12-31		N/A		N/A			
18th preceding taxation year 2007-12-31		N/A		N/A			
19th preceding taxation year 2006-12-31		N/A		N/A			
20th preceding taxation year 2005-12-31		N/A		N/A			*
Total	292,485	166,594					459,079

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

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

- Fill out this schedule to calculate the amount of capital cost allowance (CCA) the corporation is claiming for the tax year or to account for acquisitions or dispositions of depreciable property, or both.
- Unless otherwise stated, all legislative references are to the Income Tax Act.
- For more information, see the section called "Schedule 8, Capital Cost Allowance (CCA)" in Guide T4012, T2 Corporation – Income Tax.
- If you do not have enough space to list all the information, use an additional Schedule 8.
- Attach the original copy of this completed schedule to your T2 Corporation Income Tax Return.

Is the corporation electing under subsection 1101(5q) of the Income Tax Regulations? **101** Yes ☐ No ☒

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 accelerated investment incentive property (AIIP) or property acquired before 2025 that is included in Classes 54 to 56	5 Cost of acquisitions from column 3 that are reaccelerated investment incentive property (RIIP) or property acquired after 2024 that is included in Classes 54 to 56	6 Adjustments and transfers	7 Amount from column 6 that is assistance received or receivable during the year for a property, subsequent to its disposition	8 Amount from column 6 that is repaid during the year for a property, subsequent to its disposition
Note 1			Note 2			Note 5	Note 6	Note 7
200		201	203	Note 3 225	Note 4 226	205	221	222
1. 1	Buildings	450,183	49,980		49,980			
2. 2	Electrical distributing equipment	2,254,773						
3. 8	Equipment	353,303	273,588		273,588			
4. 10	Computer Hardware & Vehicles	43,508						
5. 45	Computer Hardware	9,877						
6. 47	Electrical distributing equipment	10,684,464	2,062,155		2,062,155			
7. 50	Computer hardware post March 2007	57						
8. 14.1		861,344						
9. 12	Software		26,796					
10. 50	Computer hardware	4,679	36,096		36,096			
Totals		14,662,188	2,448,615		2,421,819			

1 Class number	Description	9 Proceeds of dispositions Note 8	10 UCC (column 2 plus column 3 plus or minus column 6 Note 9	11 Proceeds of dispositions available to reduce additions of AIIP, RIIP and property included in Classes 54 to 56 (column 7 plus column 9 minus column 3 plus column 4 plus column 5 minus column 8) (if negative, enter "0")	12 Net capital cost additions of AIIP and property acquired before 2025 that is included in Classes 54 to 56 (column 4 minus column 11) (if negative, enter "0")	13 Proceeds of dispositions from column 11 available to reduce additions of RIIP and ZEV acquired after 2024 that is included in Classes 54 to 56 (column 11 minus column 4) (if negative, enter "0")	14 Net capital cost additions of RIIP and property acquired after 2024 that is included in Classes 54 to 56 (column 5 minus column 13) (if negative, enter "0")	15 UCC adjustment for AIIP and property acquired before 2025 that is included in Classes 54 to 56 (column 12 multiplied by the relevant factor) Note 10
		207						
1. 1	Buildings	0	500,163				49,980	
2. 2	Electrical distributing equipment	0	2,254,773					
3. 8	Equipment	0	626,891				273,588	
4. 10	Computer Hardware & Vehicles	0	43,508					
5. 45	Computer Hardware	0	9,877					
6. 47	Electrical distributing equipment	0	12,746,619				2,062,155	
7. 50	Computer hardware post March 2007	0	57					
8. 14.1		0	861,344					
9. 12	Software	0	26,796					
10. 50	Computer hardware	0	40,775				36,096	
Totals			17,110,803				2,421,819	

1 Class number	Description	16 UCC adjustment for RIIP and property acquired after 2024 that is included in Classes 54 to 56 (column 14 multiplied by the relevant factor) Note 11	17 UCC adjustment for property acquired during the year other than AIIP, RIIP and property included in Classes 54 to 56 (0.5 multiplied by the result of column 3 minus column 4 minus column 5 plus column 8 minus column 7 minus column 9) (if negative, enter "0") Note 12	18 CCA rate % Note 13	19 Recapture of CCA Note 14	20 Terminal loss Note 15	21 CCA (for declining balance method, the result of column 10 plus column 15 plus column 16 minus column 17, multiplied by column 18 or a lower amount) Note 16	22 UCC at the end of the year (column 10 minus column 21)
			224	212	213	215	217	220
1. 1	Buildings	24,990		4	0	0	21,006	479,157
2. 2	Electrical distributing equipment			6	0	0	135,286	2,119,487
3. 8	Equipment	136,794		20	0	0	152,737	474,154
4. 10	Computer Hardware & Vehicles			30	0	0	13,052	30,456
5. 45	Computer Hardware			45	0	0	4,445	5,432
6. 47	Electrical distributing equipment	1,031,078		8	0	0	1,102,216	11,644,403

1 Class number	Description	16 UCC adjustment for RIIP and property acquired after 2024 that is included in Classes 54 to 56 (column 14 multiplied by the relevant factor) Note 11	17 UCC adjustment for property acquired during the year other than AIIP, RIIP and property included in Classes 54 to 56 (0.5 multiplied by the result of column 3 minus column 4 plus column 8 minus column 7 minus column 9) (if negative, enter "0") Note 12	18 CCA rate % Note 13	19 Recapture of CCA Note 14	20 Terminal loss Note 15	21 CCA (for declining balance method, the result of column 10 plus column 15 plus column 16 minus column 17, multiplied by column 18 or a lower amount) Note 16	22 UCC at the end of the year (column 10 minus column 21)
			224	212	213	215	217	220
7. 50	Computer hardware post March 2007			55	0	0	31	26
8. 14.1				5	0	0	60,294	801,050
9. 12	Software			100	0	0	26,796	
10. 50	Computer hardware	29,533		55	0	0	38,669	2,106
Totals		1,222,395					1,554,532	15,556,271

Enter the total of column 19 on line 107 of Form T2 SCH 1, Net Income (Loss) for Income Tax Purposes.
Enter the total of column 20 on line 404 of Form T2 SCH 1.
Enter the total of column 21 on line 403 of Form T2 SCH 1.

Notes

- Note 1:** If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101.
- Note 2:** 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 exclusions from the half-year rule. Do not include any amount in column 3 in respect of property included in column 6 (Note 5). See Guide T4012 for more information about the cost of acquisitions during the year.
- Note 3:** An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018 and before 2025, 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 2034.
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that you acquired after March 1, 2020, and that became available for use before 2034.
See Guide T4012 for more information.
- Note 4:** An RIIP is a property (other than property included in Classes 54 to 56) that you acquired after 2024, and that became available for use before 2034.
Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2034.
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that you acquired after March 1, 2020, and that became available for use before 2034.
See Guide T4012 for more information.
- Note 5:** Enter in column 6, "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 6.
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 6:** Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 7:** 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 8:** 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 designated immediate expensing property) 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 9:** If the amount in column 6 (as shown in brackets) reduces the UCC, you must subtract it for the purpose of the calculation. Otherwise, add the amount in column 6 for the purpose of the calculation.
- Note 10:** The adjustment from column 15 is added to the UCC in column 10 to calculate the CCA deduction in column 21.
The relevant factors for property of a class in Schedule II, that is an AIIP or property acquired before 2025 that is included in Classes 54 to 56, are:
 - 1 1/2 for property in Classes 43.1, 54 and 56 that became available for use in 2024 or 2025 or 5/6 if it became available for use after 2025
 - 7/8 for property in Class 55 that became available for use in 2024 or 2025 or 3/8 if it became available for use after 2025
 - 1/2 for property in Classes 43.2 and 53 that became available for use in 2024 or 2025 or 1/10 if it became available for use after 2025
 - 3 for property in Class 44 that was acquired and became available for use after April 15, 2024 and before 2027 or 0 if it became available for use after 2026
 - 2 1/3 for property in Class 46 that was acquired and became available for use after April 15, 2024 and before 2027 or 0 if it became available for use after 2026
 - 9/11 for property in Class 50 that was acquired and became available for use after April 15, 2024 and before 2027 or 0 if it became available for use after 2026
 - 0 for property in Classes 12, 13, 14, 15, and 58, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 16 for additional information)
 - 0 for all other property (including property in Class 10.1) that is an AIIP (other than property in Classes 44, 46 or 50) that became available for use after 2023
If the tax year does not follow the calendar year, the relevant factor is determined under subsection 1100(2.01) of the Regulations.

Notes (continued)

Note 11: The adjustment from column 16 is added to the UCC in column 10 to calculate the CCA deduction in column 21.

The relevant factors for property of a class in Schedule II, that is an RIIP or property acquired after 2024 that is included in Classes 54 to 56, are:

- 2 1/3 for property in Classes 43.1, 54 and 56 that became available for use before 2030
- 1 1/2 for property in Class 55 that became available for use before 2030
- 1 for property in Class 53
- 2 1/3 for property in Class 43 acquired after 2025 that became available for use before 2030, if such property would have been included in Class 53 if it had been acquired in 2025
- 3 for property in Class 44 that became available for use before 2027 or 0 if it became available for use after 2026
- 2 1/3 for property in Class 46 that became available for use before 2027 or 0 if it became available for use after 2026
- 9/11 for property in Class 50 that became available for use before 2027 or 0 if it became available for use after 2026
- 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 16 for additional information)
- 0.5 for all other property (including property in Class 10.1) that is an RIIP that became available for use before 2030 or 0 if it became available for use after 2029

If the tax year does not follow the calendar year, the relevant factor is determined under subsection 1100(2.011) of the Regulations.

Note 12: 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, RIIP 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. The adjustment from column 17 is subtracted from the UCC in column 10 to calculate the CCA deduction in column 21.

Note 13: 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 21.

Note 14: 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 19 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 designated immediate expensing property.

Note 15: 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 20. 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 16: 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 and RIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: if the capital cost of the RIIP was incurred before 2030, 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 is an RIIP that becomes available for use in the year and before 2030) or 125% (if the property is an AIIP that becomes available for use in the year and after 2023 or an RIIP that becomes available for use in the year and after 2029) 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 an RIIP acquired in the year and before 2026) or 125% (if the property is an AIIP acquired in the year and after 2023 or an RIIP acquired in the year and after 2025) 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 RIIP acquired in the year and before 2030) 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)
- Natural gas liquefaction: The additional allowances in respect of natural gas liquefaction under paragraphs 1100(1)(a.3) and (yb) of the Regulations are eligible for the accelerated investment incentive and the reaccelerated investment incentive.

The AIIP and RIIP 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.

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

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

Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
100	200	300	400	500	550	600	650	700
1. Ottawa River Energy Solutions Inc.		86613 9025 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

Continuity of Reserves

Name of corporation	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

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

Part 1 – Capital gains reserves

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

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

Part 2 – Other reserves

Description	Balance at the beginning of the year \$	Transfer on an amalgamation or the wind-up of a subsidiary \$	Add \$	Deduct \$	Balance at the end of the year \$
	110	115			120
Reserve for doubtful debts ☒	584,890		748,654	584,890	748,654
	130	135			140
Reserve for undelivered goods and services not rendered ☐					
	150	155			160
Reserve for prepaid rent ☐					
	190	195			200
Reserve for refundable containers ☐					
	210	215			220
Reserve for unpaid amounts ☐					
	230	235			240
Other tax reserves ☐					
Totals	584,890		748,654	584,890	748,654

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

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

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

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
 - An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.
- Column 1:** Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.
- Column 2:** Provide the business number for each corporation (if a corporation is not registered, enter "NR").
- Column 3:** Enter the association code from the list below that applies to each corporation:
- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
 - 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
 - 3 – Non-CCPC that is a **third corporation**
 - 4 – Associated non-CCPC
 - 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28
- Column 4:** Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).
- Column 5:** Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.
- Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A does not exceed \$500,000.

Allocating the business limit

Date filed (do not use this area)

025

Year Month Day

Enter the calendar year the agreement applies to

050

Year 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?

075

☐ Yes ☒ No

1	2	3	4	5	6
Name of associated corporations	Business number of associated corporations	Association code	Business limit for the year before the allocation \$	Percentage of the business limit %	Business limit allocated* \$
100	200	300		350	400
1 Ottawa River Power Corporation	87176 4072 RC0001	1	500,000		
2 Ottawa River Energy Solutions Inc.	86613 9025 RC0001	1	500,000	100.0000	500,000
Total				100.0000	500,000 A

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

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

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

Special rules for business limit

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



Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than \$10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	
Capital stock (or members' contributions if incorporated without share capital)	103	5,591,406
Retained earnings	104	5,175,913
Contributed surplus	105	
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	
Any dividends declared but not paid by the corporation before the end of the year	110	
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111	
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112	
Subtotal (add lines 101 to 112)		10,767,319 ▶ 10,767,319 A

Note:

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

- A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- a) those lines applied to partnerships in the same manner that they apply to corporations, and
 - b) those amounts were computed without reference to amounts owing by the partnership
 - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.
- B is the partnership's deferred unrealized foreign exchange losses at the end of the period,
- C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and
- D is the partnership's income or loss for the period.

Part 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)	10,767,319	x	Taxable income earned in Canada	610		1,000	=	Taxable capital employed in Canada	690		10,767,319
			Taxable income			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	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

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

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (if followed by 8 digits)	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Corporation of the City of Pembroke	121936140RC0001			79.000	79.000
2	Corporation of the Town of Mississippi Mills	866266653RC0001			16.000	16.000
3						
4						
5						
6						
7						
8						
9						
10						

Canada Revenue
AgencyAgence du revenu
du Canada

Information Return for Corporations Filing Electronically

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

Part 1 – Identification

Corporation's name Ottawa River Power Corporation			Business number 87176 4072 RC0001		
Tax year start	Year Month Day 2025-01-01	Tax year-end	Year Month Day 2025-12-31	Is this an amended return? . . . ☐ Yes ☒ No	

Email address: _____

Most notices and other correspondence are delivered electronically to My Business Account by default, except when a corporation has changed its delivery preference to receive paper mail. By providing an email address, you are **registering** the corporation to receive email notifications from the CRA. The CRA will notify the corporation at the email address provided when new correspondence is available in My Business Account and may require immediate attention. For more information, see canada.ca/cra-business-email-notifications.

Part 2 – Declaration

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

Net income or loss for income tax purposes from Schedule 1, financial statements, or General Index of Financial Information (GIFI) (line 300)	-166,594
Part I tax payable (line 700)	
Part II.2 tax payable (line 705)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	
Total tax payable (line 770)	

Part 3 – Certification and authorization

I, Roy Jeffrey Chief Financial Officer,
Last name First name Position, office, or title

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

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

Signature of an authorized signing officer of the corporation

(613) 732-3687

Telephone number

Year Month Day

HH MM SS

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

Part 4 – Transmitter identification

The following transmitter has electronically filed the T2 return of the corporation identified in Part 1.

KPMG LLP

Name of person or firm

A8340

Electronic filer number

Privacy notice

Personal information is collected and used to administer or enforce the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be disclosed to other federal, provincial, territorial, aboriginal or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, 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 and CRA PPU 211 on Info Source at canada.ca/cra-info-source.

EXEMPT FROM TAX

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

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

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

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

055 Do not use this area

Identification

Business number (BN) 001 87176 4072 RC0001

Corporation's name

002 Ottawa River Power Corporation

Address of head office

Has this address changed since the last time the CRA was notified? 010 Yes No X

If yes, complete lines 011 to 018.

011 283 Pembroke Street W

012 City Province, territory, or state

015 Pembroke 016 ON

Country (other than Canada) Postal or ZIP code

017 018 K8A 5N5

Mailing address (if different from head office address)

Has this address changed since the last time the CRA was notified? 020 Yes No X

If yes, complete lines 021 to 028.

021 c/o

022 City Province, territory, or state

025 Pembroke 026 ON

Country (other than Canada) Postal or ZIP code

027 028 K8A 5N5

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

Has this address changed since the last time the CRA was notified? 030 Yes No X

If yes, complete lines 031 to 038.

031 City Province, territory, or state

035 Pembroke 036 ON

Country (other than Canada) Postal or ZIP code

037 038 K8A 5N5

040 Type of corporation at the end of the tax year (tick one)

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

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

To which tax year does this return apply?

060 Tax year start Year Month Day 2025-01-01 061 Tax year-end Year Month Day 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 X

If yes, provide the date control was acquired 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)?

066 Yes No X

Is the corporation a professional corporation that is a member of a partnership?

067 Yes No X

Is this the first year of filing after:

Incorporation? 070 Yes No X

Amalgamation? 071 Yes No X

If yes, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year?

072 Yes No X

If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation?

076 Yes No X

Is this the final return up to dissolution?

078 Yes No X

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

079

Is the corporation a resident of Canada?

080 Yes X No

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

081

Is the non-resident corporation claiming an exemption under an income tax treaty?

082 Yes No X

If yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

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

Do not use this area

095 096 098

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

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

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	☐	T1134
If the corporation is a resident of Canada, 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?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☐	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	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?	☐	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?	☐	54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	☐	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	☐	59
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	☐	68
Is the corporation a covered entity that redeemed, acquired or cancelled equity of the corporation in the tax year?	☐	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?	☐	130

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	☒	No	☐
Is the corporation inactive?	280	Yes	☐	No	☒
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290	Yes	☐	No	☒
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	Energy	285	100.000 %	
	286		287	%	
	288		289	%	
Did the corporation immigrate to Canada during the tax year?	291	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	292	Yes	☐	No	☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes	☐	No	☐
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day			
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes	☐	No	☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	-166,594	A
Deduct:			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
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
Taxable income (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, minus 100/28 (3.57143) of the amount on line 632* on page 8, minus 4 times the amount on line 636** on page 8, and minus any amount that, because of federal law, is exempt from Part I tax	405	B
Business limit (see notes 1 and 2 below)	410	C

Notes:

- 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** *** 6,513 D = 90,000 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. This amount is reported at line 745 of the corresponding Schedule 7. Each corporation with such income has to file a Schedule 7.

Small business deduction (continued)**Specified corporate income and assignment under subsection 125(3.2)**

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

Notes:

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

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

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

Enter amount I on line 638 on page 8.

* This is not applicable to substantive CCPCs.

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

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

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

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax**Canadian-controlled private corporations throughout the tax year or substantive CCPCs at any time in the tax year**Aggregate investment income from Schedule 7 **440** $\times \frac{30}{2} \div 3 \% =$ **A**Foreign non-business income tax credit from line 632 on page 8 **B**Foreign investment income from Schedule 7 **445** $\times 8 \% =$ **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 $\times \frac{75}{29} =$ **H**Foreign business income tax credit from line 636 on page 8 $\times 4 =$ **I**Subtotal (**add** amounts G to I) **J**Subtotal (amount F **minus** amount J) $\times \frac{30}{2} \div 3 \% =$ **L**Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9) **M****Refundable portion of Part I tax** – Amount E, L, or M, whichever is the least **450** **N**

* This is not applicable to substantive CCPCs.

Refundable dividend tax on hand

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

Dividend refund

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

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) multiplied by 38 %	550	A
Additional tax on personal services business income (section 123.5)		
Taxable income from a personal services business	555 x 5 % = 560	B
Additional tax on banks and life insurers from Schedule 68	565	C
Total labour requirements addition to tax	580	D
Recapture of investment tax credit from Schedule 31	602	E
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) or substantive CCPC's investment income (if it was a CCPC throughout the tax year or a substantive CCPC at any time in the tax year)		
Aggregate investment income from line 440 on page 6		F
Taxable income from line 360 on page 3		G
Deduct:		
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
Deduct:		
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
Part I tax payable – 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.

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:

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)

Total federal tax

760**Deduct other credits:**

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

Total tax payable

770

A

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** **1**

Refund

Balance owing

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

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

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due?

896Yes ☐ No ☒

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

EFILE number

920 A8340

RepID

925**Certification**I, **950** Roy**951** Jeffrey**954** Chief Financial Officer

Last name

First name

Position, office, or rank

I 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)

Signature of the authorized signing officer of the corporation

956

(613) 732-3687

Telephone number

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

957Yes ☒ No ☐**958**

Name of other authorized person

959

Telephone number

Language of correspondence – Langue de correspondance

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

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

990**1**

Canada Revenue
AgencyAgence du revenu
du Canada**SCHEDULE 100**

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	11,273,900	10,760,731
	Total tangible capital assets	2008 +	28,836,876	25,837,320
	Total accumulated amortization of tangible capital assets	2009 -	8,574,554	7,330,575
	Total intangible capital assets	2178 +	432,057	405,262
	Total accumulated amortization of intangible capital assets	2179 -	349,062	270,561
	Total long-term assets	2589 +	522,143	1,307,446
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	32,141,060	30,709,623
Liabilities				
	Total current liabilities	3139 +	8,576,467	6,217,738
	Total long-term liabilities	3450 +	12,855,573	14,007,628
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	21,432,040	20,225,366
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	10,709,020	10,484,257
	Total liabilities and shareholder equity	3640 =	32,141,060	30,709,623
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	5,175,913	4,896,326

* Generic item



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

Income statement information

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

Account	Description	GIFI	Current year	Prior year
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Income statement information

Total sales of goods and services	8089 +	30,459,338	29,866,320
Cost of sales	8518 -	25,877,033	21,749,563
Gross profit/loss	8519 =	4,582,305	8,116,757
Cost of sales	8518 +	25,877,033	21,749,563
Total operating expenses	9367 +	6,162,213	5,936,186
Total expenses (mandatory field)	9368 =	32,039,246	27,685,749
Total revenue (mandatory field)	8299 +	32,488,207	28,083,319
Total expenses (mandatory field)	9368 -	32,039,246	27,685,749
Net non-farming income	9369 =	448,961	397,570

Farming income statement information

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

Net income/loss before taxes and extraordinary items	9970 =	448,961	397,570
---	---------------	----------------	----------------

Total – other comprehensive income	9998 =	-58,299	
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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 -	42,609	
Future (deferred) income tax provision	9995 -	123,290	113,664
Total – Other comprehensive income	9998 +	-58,299	
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	224,763	283,906

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

Corporation's name Ottawa River Power Corporation	Business number 87176 4072 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**

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	210	_____
Intangible assets	215	_____
Investment property	220	_____
Biological assets	225	_____
Financial instruments	230	_____
Other	235	_____

211	_____
216	_____
231	_____
236	_____

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)?

250 Yes ☐ No ☒

Did the corporation apply hedge accounting during the tax year?

255 Yes ☐ No ☒

Did the corporation discontinue hedge accounting during the tax year?

260 Yes ☐ No ☒

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year?

265 Yes ☐ No ☒

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

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
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Ottawa River Power Corporation (the "Corporation") was incorporated in accordance with the provincial government's Electricity Act, 1998 under the Business Corporations Act (Ontario) on April 22, 1999.

Ottawa River Power Corporation is the successor to the former Pembroke Hydro Electric Commission ("Pembroke Hydro"), the Municipality of Mississippi Mills Public Utilities Commission ("Almonte Hydro"), the Township of Killaloe, Hagarty & Richards Hydro Electric Commission ("Killaloe Hydro") and the Beachburg Hydro System ("Beachburg Hydro").

The shareholders of the Corporation are the City of Pembroke (78.4%), the Municipality of Mississippi Mills (15.9%), the Township of Killaloe-Hagarty-Richards (3.0%) and the Township of Whitewater Region (2.7%).

The Corporation is the electric distribution utility for residents of the City of Pembroke, the Municipality of Mississippi Mills (Almonte Ward), the Township of Killaloe and the Village of Beachburg under a license issued by the Ontario Energy Board ("OEB"). The Corporation is regulated by the OEB and adjustments to the Corporation's distribution and power rates require OEB approval.

1. Basis of presentation:

(a) Statement of compliance:

These financial statements have been prepared by management on a going-concern basis in accordance with IFRS Accounting Standards.

The financial statements were authorized for issue by the Board of Directors on April 24, 2026.

(b) Basis of presentation:

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented has been rounded to the nearest dollar.

(d) Use of estimates and judgments:

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Corporation's accounting policies. The areas involving a higher degree of judgment, complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(e) Explanation of activities subject to rate regulation:

Ottawa River Power Corporation, 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 Corporation and establishing standards of service for the Corporation's

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information
Notes to the financial statements

customers.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

7

1. Basis of presentation (continued):

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

The OEB has broad powers relating to licensing, standards of conduct and service and the

regulation of rates charged by the Corporation 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 on an annual basis for May 1 to April 30.

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.

Recovery risk

Regulatory developments in Ontario's electricity industry, including current and possible future

consultations between the OEB and interested stakeholders, may affect distribution rates and

other permitted recoveries in the future. The Corporation is subject to a cost of service

regulatory mechanism under which the OEB establishes the revenues required

(i) to recover

the forecast operating costs, including depreciation and amortization and income taxes, of

providing regulated service, and (ii) 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.

2. Material accounting policies:

The preparation and presentation of financial statements can be significantly affected by the

accounting policies selected by the Corporation. The financial statements reflect the following

material accounting policies, which are an integral part of understanding them.

The accounting policies set out below have been applied consistently to all periods presented in

these financial statements unless otherwise indicated.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

8

2. Material accounting policies (continued):

(a) Regulatory deferral accounts:

Regulatory deferral account debit balances represent future revenues associated with certain costs incurred in the current period or in prior period(s) that are expected to be recovered from consumers in future periods through the rate-setting process. Regulatory deferral account credit balances are associated with the collection of certain revenue earned in the current period or prior period(s) that are expected to be returned to consumers in future periods 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 Corporation 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 (the "EA") 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 deferral accounts. If recovery through future rates is no longer considered probable, the amounts would be charged to the results of operations in the period that the assessment is made.

(b) Revenue recognition:

The Corporation recognizes revenue from contracts with customers when it transfers control over a product or service to a customer either over time or at a point in time. Revenue is measured at the consideration received or receivable, excluding sales taxes and other amounts collected on behalf of third parties. Revenue is comprised of sales and distribution of energy, pole use rental, collection charges, administrative services and other miscellaneous revenue.

Sale and distribution of energy

The Corporation is licensed by the OEB to distribute electricity. As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers. The Corporation has determined that they are acting as a principal for the electricity distribution and, therefore, have presented the electricity revenues on a gross basis.

Revenues from the sale and distribution of electricity is recognized over time as electricity is delivered to the customer, as measured by meter readings.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

9

2. Material accounting policies (continued):

(b) Revenue recognition (continued):

Other revenues

Other revenues, which include revenues from pole use rental, collection charges, administrative services and other miscellaneous revenue are recognized over time as the services are provided, except for revenue from certain account-related charges, which is recognized at a point in time.

Where the Corporation has an ongoing obligation to provide services, revenues are recognized

over time as the services are performed. Revenue earned for service work related to distribution operations is recognized over time as the corresponding costs are recognized proportionately with the degree of completion of the services under contract. Amounts billed in advance are recognized as deferred revenue.

Contributions in aid of construction

Certain assets may be acquired or constructed with financial assistance in the form of

contributions from developers when the estimated revenue is less than the cost of providing service or where special equipment is needed to supply specific requirements.

Capital

contributions from developers are recognized as deferred revenue and amortized into revenue from other sources at an equivalent rate to that used for the depreciation of the related property, plant and equipment.

(c) Cash:

Cash includes cash on hand with financial institutions.

(d) Financial instruments:

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Accounts receivable and unbilled energy revenue are initially measured at the transaction

price. All other financial assets and financial liabilities are initially measured at fair value.

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

The Corporation determines the classification of its financial assets on the basis of both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are not reclassified subsequent to their initial recognition unless the Corporation changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

10

2. Material accounting policies (continued):

(d) Financial instruments (continued):

Financial assets are classified as amortized cost. These include cash, accounts receivable, and unbilled energy revenue. Subsequent to initial recognition, financial assets at amortized cost are measured using the effective interest method, less any impairment. The Corporation measures a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortized cost. The Corporation measures loss allowances for accounts receivable and unbilled revenue via a simplified approach as permitted by IFRS 9, at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased, the Corporation performs a quantitative and qualitative analysis based on the Corporation's historical experience and forward-looking information. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off to the extent there is no realistic prospect of recovery.

The Corporation determines the classification of its financial liabilities at initial recognition. The Corporation's financial liabilities are classified as amortized cost. These include accounts payable and accrued liabilities, customer deposits, and long-term debt. Financial liabilities at amortized cost are measured using the effective interest method.

(e) Customer deposits:

Customers may be required to post security to obtain electricity or other services, which are refundable. Where the security posted is in the form of cash, these amounts are recorded in the accounts as deposits. Deposits to be refunded to customers within the next fiscal year are

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

classified as a current liability. Interest rates paid on customer deposits are based on the Bank of Canada's prime business rate less 2%.

(f) Property, plant and equipment:

Recognition and measurement

Property, plant and equipment ("PP&E") are recognized at cost less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Corporation, including eligible borrowing costs.

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

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

11

2. Material accounting policies (continued):

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

The estimated useful lives are as follows:

Asset Useful life

Land Indefinite

Substation and buildings 30 to 60 years

Poles, towers and fixtures 25 to 45 years

Overhead conductors and devices 25 to 60 years

Underground conduit 25 to 50 years

Underground conductors and devices 25 to 40 years

Services 3 to 25 years

Major spare parts such as spare transformers and other items kept as standby/back up

equipment are accounted for as PP&E since they support the corporation's distribution system

reliability. No amortization is recorded on these items until they are put into service.

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.

Gains and losses on disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by

comparing the net proceeds from disposal with the carrying amount of the asset, and are

included in the statement of income and comprehensive income when the asset is disposed.

When an item of property, plant and equipment with related contributions in

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

aid of construction

is disposed, the remaining contributions are recognized in full in the statement of income and comprehensive income.

(g) Borrowing costs:

The Corporation capitalizes interest expenses and other finance charges directly relating to the acquisition, construction or production of assets that take a substantial period of time to get ready for its intended use. Capitalization commences when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization will be suspended during periods in which active development is interrupted. Capitalization should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

12

2. Material accounting policies (continued):

(h) Intangible assets:

Land rights

Payments to obtain rights to access land ("land rights") are classified as intangible assets.

These include payments made for easements, right of access and right of use over land for

which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization and accumulated impairment losses.

Computer software

Computer software that is acquired or developed by the Corporation, including software that is

integral to the functionality of equipment purchased, which has finite useful lives, is measured

at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is recognized in statement of income on a straight-line basis over the estimated

useful lives of intangible assets, other than goodwill, from the date that they are available for

use. Half of a year's amortization is taken for the first year. Amortization of useful lives for the

current and comparative years are:

Asset Useful life

Land rights 25 to 30 years

Computer software 3 years

(i) Impairment of non-financial assets:

The Corporation conducts annual internal assessments of the values of equipment to

determine whether there are events or changes in circumstances that indicate that their

carrying amount may not be recoverable. Where carrying value exceeds its

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

recoverable amount, which is the higher of 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 an 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 inflows from other assets. An impairment loss is charged to the statement of income and comprehensive income, except to the extent it reverses gains previously recognized in other comprehensive income.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

13

2. Material accounting policies (continued):

(j) Employee future benefits:

Pension plan

The employees of the Corporation participate in the Ontario Municipal Employees Retirement System ("OMERS"). The Corporation also makes contributions to the OMERS plan on behalf of its employees. The plan has a defined benefit option at retirement available to some employees, which specifies the amount of the retirement benefit plan to be received by the employees based on length of service and rates of pay. However, the plan is accounted for as a defined contribution plan as insufficient information is available to account for the plan as a defined benefit plan. The contribution payable in exchange for services rendered during a period is recognized as an expense during that period. The Corporation is only one of a number of employers that participates in the plan and financial information provided to the Corporation on the basis of the contractual agreements is usually insufficient to measure the Corporation's proportionate share in the plan's assets and liabilities for defined benefit accounting requirements.

Post-employment defined benefit plan:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Corporation's net obligation on behalf of its retired employees unfunded life insurance benefits is calculated by estimating the amount of future benefits that are expected to be paid out discounted to determine its present value. The calculation is performed by a qualified actuary using the projected unit credit method at least every third year or when there are significant changes to workforce. Defined benefit obligations are measured using the projected unit credit

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating the terms of the liabilities. Remeasurements of the defined benefit obligation are recognized directly within equity in other comprehensive income. The remeasurements include actuarial gains and losses. Service costs are recognized in operating expenses and include current and past service costs as well as gains and losses on curtailments. Net interest expense is recognized in finance costs and is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the balance of the net defined benefit obligation, considering the effects of benefit payments during the period. Gains or losses arising from changes to defined benefits or plan curtailment are recognized immediately in the statement of income and comprehensive income. Settlements of defined benefit plans are recognized in the period in which the settlement occurs.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

14

2. Material accounting policies (continued):

(j) Employee future benefits (continued):

Other long-term service benefits:

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities. Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement.

(k) Payments in lieu of taxes payable:

The Corporation 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 Corporation is exempt from tax under the Income Tax Act (Canada) and the Corporations Tax Act (Ontario). Under the Electricity Act, 1998, the Corporation 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

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

related regulations.

Current and deferred tax:

Provision in lieu of taxes is comprised of current and deferred tax. Current tax and deferred tax are recognized in total income and other comprehensive income except to the extent that it relates to items recognized directly in equity or regulatory deferral account balances (note 10).

Current PILs are recognized on the taxable income or loss for the current year plus any adjustment in respect of previous years. Current PILs are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date. Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base. The amount of the deferred tax asset or liability is measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date and are expected to apply when the liabilities/(assets) are settled/(recovered). The Corporation recognized deferred tax arising from temporary difference on regulatory deferral account balances.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

15

2. Material accounting policies (continued):

(k) Payments in lieu of taxes payable (continued):

At the end of each reporting period, the Corporation reassesses both recognized and unrecognized deferred tax assets. The Corporation recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(l) 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.

(m) Inventory:

Cost of inventory 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

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

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 recognized at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(n) Leases:

At the inception of the contract, the Corporation assesses whether the contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. The corporation recognizes a right-of-use ("ROU") assets and a lease liability at the lease commencement date. ROU assets are initially measured at cost and subsequently carried at cost less accumulated depreciation and impairments, if any. The initial cost of an ROU asset equals the amount of the initial measurement of the corresponding lease liability, plus any initial direct costs incurred to bring the assets into operation. Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date. The lease payments are discounted using the rate implicit in the lease, or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate which reflects the Corporation's ability to borrow money over a similar term, for an asset of similar value to the underlying asset, similar security or in a similar economic environment.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

16

2. Material accounting policies (continued):

(n) Leases (continued):

Lease liabilities are subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When a lease liability is remeasured in this way, a corresponding adjustment is made to the

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero. Payments under lease liabilities are apportioned between interest expense and a reduction of the outstanding lease liability. Where the Corporation is reasonably certain it will obtain ownership of the ROU asset before the end of the lease term, the asset is depreciated over its useful life on a straight-line basis. Otherwise, depreciation is calculated over the shorter period of the lease term and the asset's useful life. The lease term includes periods covered by an option to extend if the Corporation is reasonably certain to exercise that option. The Corporation has elected to apply the practical expedient not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(o) Future accounting standards:

i. IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board ("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 Corporation is currently assessing the impact this amendment will have on the Corporation's financial statements.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

17

2. Material accounting policies (continued):

(o) Future accounting standards (continued):

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

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

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.

3. Use of estimates and judgments:

The Corporation makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Payments in lieu of taxes payable:

The Corporation is required to make payments in lieu of tax calculated on the same basis as income taxes on taxable income earned and capital taxes. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues based on the Corporation'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 period in which such determination is made.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

18

3. Use of estimates and judgments (continued):

Accounts receivable impairment:

In determining the allowance for doubtful accounts, the Corporation considers historical loss experience of account balances based on the aging and arrears status of accounts receivable balances, observable changes in national or local economic conditions that correlate with default on receivables, financial difficulty of the borrower, and it becoming probable that the borrower will enter bankruptcy or financial re-organization.

Useful lives of depreciable assets:

Depreciation expense is calculated based on estimates of the useful lives of equipment.

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Management estimates the useful lives of the various types of assets using assumptions and estimates of life characteristics of similar assets based on a long history of experience.

4. Accounts receivable:

2025 2024

Residential and commercial energy and rentals \$ 2,963,393 \$ 2,972,822

Work at customers premises 152,795 109,344

HST recoverable 193,547 142,615

Other miscellaneous receivables 975,801 282,905

4,285,536 3,507,686

Allowance for doubtful accounts (748,654) (584,890)

\$ 3,536,882 \$ 2,922,796

Due to their short-term natures, the carrying amounts of the various components of accounts

receivable approximate their fair values.

5. Related party transactions:

(a) The ultimate parent:

The common shares of Ottawa River Power Corporation are owned by the City of Pembroke,

the Municipality of Mississippi Mills, the Township of Killaloe-Hagarty-Richards and the

Township of Whitewater Region, which all constitute local governments.

Consequently, the

Corporation 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.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

19

5. Related party transactions (continued):

(b) Transactions with related parties:

The following summarizes the Corporation's related party transactions for the year. These

transactions are in the normal course of operations and are measured at the exchange value

(the amount of consideration established and agreed to by the related parties).

Ottawa River Energy Solutions Inc.

A summary of amounts charged by the Corporation to the Ottawa River Energy Solutions Inc.

are as follows:

2025 2024

Labour on customer premises \$ 197,193 \$ 363,692

Administration services 17,237 15,836

Rent and service charges 38,129 37,044

\$ 252,559 \$ 416,572

Included in the statement of income and comprehensive income is fibre services of \$12,240

(2024 - \$12,240) and solar generation of \$28,850 (2024 - \$32,969) paid to Ottawa River Energy

Solutions Inc.

At December 31, 2025, the Corporation has accounts payable and accrued

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

liabilities of \$23,531
(2024 - \$31,446) due to Ottawa River Energy Solutions Inc., prepaids of \$1,020 (2024 - \$nil) and accounts receivable include \$39,249 (2024 - \$23,344) due from Ottawa River Energy Solutions Inc. Ottawa River Energy Solutions Inc. is affiliated by virtue of common ownership.

Corporation of the City of Pembroke
The Corporation provides electricity and services to the principal shareholder, the City of Pembroke. Electrical energy is sold to the City at the same prices and terms as other electricity customers consuming equivalent amounts of electricity. Included in the statement of income and comprehensive income is electrical energy of \$895,635 (2024 - \$936,143) charged by the Corporation to the City of Pembroke.

OTTAWA RIVER POWER CORPORATION
Notes to Financial Statements (continued)
Year ended December 31, 2025

20

5. Related party transactions (continued):
(b) Transactions with related parties (continued):
At December 31, 2025, accounts payable and accrued liabilities include \$146 (2024 - \$424) due to the City of Pembroke and accounts receivable include \$105,105 (2024 - \$88,461) due from the City of Pembroke.

Dividends in the amount of \$Nil (2024 - \$Nil) have been paid to the City of Pembroke. Property taxes and water and sewer charges paid to the City of Pembroke amounted to \$50,503 (2024 - \$49,724). The Corporation incurred interest on the financing provided by the City of Pembroke in the amount of \$152,304 (2024 - \$152,304).

(c) Key management personnel compensation:
The key management personnel of the Corporation has been defined as members of its board of directors and executive management team members.

2025 2024
Board of directors' fees \$ 49,252 \$ 50,287
Short-term employment benefits and salaries 727,837 676,433
Post-employment benefits 74,331 70,132
\$ 851,420 \$ 796,852

6. Inventory:
Inventory consists of maintenance and construction materials amounting to \$926,897 (2024 - \$1,001,590).

OTTAWA RIVER POWER CORPORATION
Notes to Financial Statements (continued)
Year ended December 31, 2025

21

7. Property, plant and equipment:
Poles, Overhead Underground
Substation and towers and conductors Underground conductor 2025
Land buildings fixtures and devices conduit and devices Services Total

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Cost:

Balance,

December 31, 2024 \$ 258,350 \$ 487,369 \$ 7,507,129 \$ 7,354,344 \$ 1,900,113 \$
4,162,849 \$ 4,426,314 \$ 26,096,468

Additions during the year - 49,980 678,609 426,426 331,325 839,742 414,026
2,740,108

Balance, December 31, 2025 258,350 537,349 8,185,738 7,780,770 2,231,438
5,002,591 4,840,340 28,836,576

Accumulated depreciation:

Balance,

December 31, 2024 - 47,711 1,315,626 1,938,379 507,085 935,455 2,845,467
7,589,723

Depreciation for the year - 27,577 242,255 186,520 75,378 168,728 284,373
984,831

Balance, December 31, 2025 - 75,288 1,557,881 2,124,899 582,463 1,104,183
3,129,840 8,574,554

Net book value:

Balance, December 31, 2025 \$ 258,350 \$ 462,061 \$ 6,627,857 \$ 5,655,871 \$
1,648,975 \$ 3,898,408 \$ 1,710,500 \$ 20,262,022

Balance, December 31, 2024 \$ 258,350 \$ 439,658 \$ 6,191,503 \$ 5,415,965 \$
1,393,028 \$ 3,227,394 \$ 1,580,847 \$ 18,506,745

During the year, no provision for the cost of funds used during construction
was capitalized.

The Corporation has entered into non-cash transactions relating to property,
plant and equipment that have been excluded from the statement of cash
flows. Accounts payable and accrued liabilities contain \$235,353 of amounts
pertaining to additions to property, plant and equipment.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

22

7. Property, plant and equipment (continued):

Poles, Overhead Underground Assets

Substation and towers and conductors Underground conductor under 2024

Land buildings fixtures and devices conduit and devices Services construction

Total

Cost:

Balance,

December 31, 2023 \$ 258,350 \$ 602,770 \$ 7,345,698 \$ 6,832,441 \$ 1,609,718 \$
3,674,076 \$ 4,214,873 \$ (117,479) \$ 24,420,447

Additions during the year - 63,476 403,348 583,582 297,107 597,413 531,121 -
2,476,047

Disposals/transfers - (117,479) - - - 117,479 -

during the year - (178,877) (124,438) (61,679) (6,712) (108,640) (319,680) -
(800,026)

Balance, December 31, 2024 258,350 487,369 7,507,129 7,354,344 1,900,113
4,162,849 4,426,314 26,096,468

Accumulated depreciation:

Balance,

December 31, 2023 - 201,047 1,218,484 1,796,656 442,654 889,168 2,825,997 -
7,374,006

Depreciation for the year - 25,541 221,580 203,402 71,143 154,927 339,150 -
1,015,743

Disposals during the year - (178,877) (124,438) (61,679) (6,712) (108,640)
(319,680) - (800,026)

Balance, December 31, 2024 - 47,711 1,315,626 1,938,379 507,085 935,455

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

2,845,467 - 7,589,723

Net book value:

Balance,

December 31, 2024 \$ 258,350 \$ 439,658 \$ 6,191,503 \$ 5,415,965 \$ 1,393,028 \$
3,227,394 \$ 1,580,847 \$ - \$ 18,506,745

Balance,

December 31, 2023 258,350 401,723 6,127,214 5,035,785 1,167,064 2,784,908
1,388,876 (117,479) 17,046,441

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

23

8. Intangible assets:

Intangible assets consist of the following:

Land Computer

rights software Total

Cost:

Balance, December 31, 2024 \$ 20,326 \$ 384,935 \$ 405,261

Additions - 26,796 26,796

Balance, December 31, 2025 20,326 411,731 432,057

Accumulated amortization:

Balance, December 31, 2024 3,810 266,750 270,560

Amortization for the year 2,542 75,960 78,502

Balance, December 31, 2025 6,352 342,710 349,062

Carrying amount:

Balance, December 31, 2024 16,516 118,185 134,701

Balance, December 31, 2025 13,974 69,021 82,995

Cost:

Balance, December 31, 2023 \$ 20,326 \$ 347,195 \$ 367,521

Additions - 43,213 43,213

Disposals - (5,473) (5,473)

Balance, December 31, 2024 20,326 384,935 405,261

Accumulated amortization:

Balance, December 31, 2023 1,270 176,061 177,331

Amortization for the year 2,540 98,162 98,702

Disposals - (5,473) (5,473)

Balance, December 31, 2024 3,810 266,750 270,560

Carrying amount:

Balance, December 31, 2023 19,056 171,134 190,190

Balance, December 31, 2024 16,516 118,185 134,701

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

24

9. Payments in lieu of corporate income taxes:

PILs recognized in total income comprise the following:

2025 2024

Current tax expense:

Current year \$ 42,609 \$ -

Deferred tax expense:

Origination and reversal of temporary differences 123,290 113,664

\$ 165,899 \$ 113,664

Statutory Canadian federal and provincial tax rates for the current year
comprise 15% (2024 - 15%)

for federal corporate tax and 11.5% (2024 - 11.5%) for corporate tax in
Ontario. The PILs expense

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

varies from amounts which would be computed by applying the Corporation's combined statutory

income tax rate as follows:

2025 2024

Income before provision for PILs \$ 448,962 \$ 397,570

Statutory Canadian federal and provincial tax rate 26.5% 26.5%

Provision for PILs at statutory rate 118,975 105,356

Increase in income tax resulting from:

Permanent differences 4,016 608

Prior period adjustment 42,609 -

Other 299 7,700

\$ 165,899 \$ 113,664

Effective tax rate 36.95% 28.59%

The movement in the deferred tax asset/(liability) is as follows:

2025 2024

Opening balance, January 1 \$ 61,708 \$ 175,372

Recognized in regulatory deferral credits (123,290) (113,664)

Closing balance, December 31 \$ (61,582) \$ 61,708

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

25

9. Payments in lieu of corporate income taxes (continued):

Deferred tax assets are attributable to the following:

2025 2024

Property, plant and equipment \$ (341,477) \$ (227,738)

Employee future benefits 110,030 93,872

Non-capital loss carryforward 169,865 195,574

\$ (61,582) \$ 61,708

The utilization of this tax asset (liability) is dependent on future taxable profits in excess of profits

arising from the reversal of existing taxable temporary differences. The

Corporation believes that

this asset should be recognized as it will be recovered through future services.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

26

10. Regulatory deferral accounts:

All amounts deferred as regulatory account debit balances are subject to approval by the OEB. As

such, amounts subject to deferral could be altered by the regulators.

Due to previous, existing or expected future regulatory articles or

decisions, the Corporation has

the following amounts expected to be recovered from customer (returned to

customers) in future

periods and as such regulatory deferral account balances are comprised of:

Balances

December 31, arising in Recovery/ Other December 31,

2024 the period reversal movements* 2025

Regulatory assets:

RARA approved

May 1, 2021 \$ 1,869 \$ 15 \$ - \$ - \$ 1,884

RARA Approved

May 1, 2023 - 10,087 - - 10,087

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

RARA Approved

May 1, 2025 - 186,657 - - 186,657

Retail settlement variances 1,059,242 (1,059,242) - - -

Other variance 19,493 28,979 - - 48,472

Regulatory asset for

deferred income taxes - 61,582 - - 61,582

1,080,604 (771,922) - - 308,682

Regulatory liabilities:

Regulatory liability for

deferred income taxes 61,708 (61,708) - - -

RARA approved

May 1, 2022 13,469 339 - - 13,808

RARA Approved

May 1, 2023 94,740 (94,740) - - -

RARA Approved

May 1, 2024 2,904,561 (1,421,130) - - 1,483,431

Power Purchase True-Up 1,304,250 (953,758) - - 350,492

Retail settlement variances - 597,515 - - 597,515

4,378,728 (1,933,482) - - 2,445,246

Net regulatory liability \$ (3,298,124) \$1,161,560 \$ - \$ - \$ (2,136,564)

*Other movements represent reclassifications of balances.

Carrying charges

Carrying charges are calculated monthly on the opening balance of the applicable variance account

using a specified interest rate as outlined by the OEB. The Corporation intends to seek recovery of carrying charge income earned in future rate applications.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

27

10. Regulatory deferral accounts (continued):

Regulatory asset recovery accounts ("RARA")

The RARA are 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 RARA are subject to carrying charges following the OEB

prescribed methodology and rates.

Retail settlement variances ("RSVAs")

RSVAs are comprised of the variances between amounts charged by the Corporation to its

customers, based on regulated rates, and the corresponding cost of non-competitive electricity

service incurred by the Corporation. The settlement variances relate primarily to service charges,

non-competitive electricity charges and the global adjustment. Accordingly, the Corporation 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 calculated and attracts carrying charges in accordance with the OEB's

direction.

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Deferred income taxes

This regulatory liability account relates to the expected future electricity distribution rate adjustments for customers arising from timing differences in the recognition of future income taxes.

Power Purchase True-Up

Effective July 1, 2023, the Electricity Act, 1998 was amended to exempt global adjustment charges for customers who consume electricity supplied outside Ontario. As the Company purchased a portion of their electricity from Quebec the Company is no longer paying global adjustment charges for those purchases. This account was established to refund the over-collection of global adjustment charges from rate payers since July 1, 2023 and collect increased electricity costs of the Quebec purchases since July 1, 2023.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

28

11. Accounts payable and accrued liabilities:

2025 2024

Hydro One \$ 6,768,995 \$ 4,137,203

Embedded generation 177,898 336,916

Trade payables 447,742 675,556

Accrued interest on long-term debt 228 191

Customer credit balances 471,928 486,324

Other accounts payable and accruals 573,029 465,401

Customer deposits 26,528 13,234

Due to related parties 23,677 31,911

\$ 8,490,025 \$ 6,146,736

Due to its short-term nature, the carrying amount of the accounts payable and accrued liabilities approximates its fair value.

12. Contributions in aid of construction:

The continuity of deferred contributions in aid of construction is as follows:

2025 2024

Deferred contributions, net, beginning of year \$ 2,225,639 \$ 1,981,232

Contributions in aid of construction received 318,289 295,457

Contributions in aid of construction recognized

as other revenue (61,037) (51,050)

Deferred contributions, net, end of year \$ 2,482,891 \$ 2,225,639

All contributions in aid of construction are cash contributions. There has not been any contributions of property, plant and equipment.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

29

13. Employee future benefits:

(a) Pension plan:

The employees of the Corporation participate in the OMERS. Although the plan has a defined retirement benefit plan for employees, the related obligation of the Corporation cannot be

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

identified. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. The plan specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The plan is financed by equal contributions from participating employers and employees, and by the investment earnings of the fund. The employer portion of amounts paid to OMERS during the year was \$244,228 (2024 - \$224,558).

The contributions were made for current service and these have been recognized in total income.

Each year, an independent actuary determines the funding status of OMERS Primary Pension

Plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2025. The results of this valuation disclosed total actuarial liabilities of \$149.6 billion (2024 - \$140.8 billion) in respect of benefits accrued for service with actuarial assets at that date of \$145.2 billion (2024 - \$137.9 billion), indicating an actuarial deficit of \$1.3 billion (2024 - \$2.9 billion). Because OMERS is a multiemployer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees, as a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit.

OTTAWA RIVER POWER CORPORATION
Notes to Financial Statements (continued)
Year ended December 31, 2025
30

13. Employee future benefits:

(b) Post-employment life insurance plan:

The Corporation provides unfunded life insurance benefits on behalf of its retired employees.

These benefits are provided through a group defined benefit plan. The Corporation has reported its share of the defined benefit costs and related liabilities, as calculated by an actuary, in these financial statements. The accrued benefit liability and the expense for the Year ended December 31, 2025 is based on results determined by actuarial valuation as at December 31, 2025.

The plan is exposed to a number of risks, including:

Interest rate risk: decreases/increases in the discount rate used (high quality corporate bonds) will increase/decrease the defined benefit obligation.

Longevity risk: changes in the estimation of mortality rates of current and former

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information
Notes to the financial statements

employees.

Information about the group unfunded defined benefit plan as a whole and changes in the present value of the unfunded defined benefit obligation and the accrued benefit liability are as follows:

2025 2024

Defined benefit obligation, beginning of year \$ 260,361 \$ 303,181

Amounts recognized in net income:

Current service cost - 1,408

Past Service cost - (33,401)

Interest on cost obligation 11,646 13,375

11,646 (18,618)

Benefit payments (25,128) (27,677)

Projected defined benefit obligation before

actuarial valuation 246,879 256,886

Actuarial loss recognized in other comprehensive income 58,299 3,475

Defined benefit obligation, end of year \$ 305,178 \$ 260,361

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

31

13. Employee future benefits (continued):

(b) Post-employment life insurance plan (continued):

Significant actuarial assumptions for the measurement of the defined benefit obligation as at

December 31 are as follows:

2025 2024

Discount rate 4.90% 4.70%

Rate of compensation increase Not applicable 2.65%

Retirement age Variable Variable

Sensitivity analysis for each significant actuarial assumption to which the Corporation is

exposed is as follows:

1% decrease in the discount rate increases the defined benefit obligation by \$36,900.

1% increase in the discount rate decreases the defined benefit obligation by \$30,500.

Change with 1-year greater life expectancy increase the defined benefit obligation by

\$7,800.

Change with 1-year increase in retirement age assumption decrease the defined benefit

obligation by \$nil.

The expected average remaining service lifetime at December 31, 2025 was 11

years

(2024 - 12.6 years).

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

32

14. Long-term debt:

2025 2024

3.49% Promissory note payable to the Corporation

of the City of Pembroke, due May 1, 2032 \$ 4,364,000 \$ 4,364,000

3.49% Promissory note payable to the Corporation of

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

the Township of Whitewater Region, due May 1, 2032 147,000 147,000
3.49% Promissory note payable to the Corporation
of the Township of Killaloe, Hagarty and Richards,
due May 1, 2032 172,348 172,348
3.49% Promissory note payable to the Corporation
of the Municipality of Mississippi Mills, due May 1, 2032 902,490 902,490
2.56% Promissory note payable in blended monthly
payments of \$ 7,112 to Ontario Infrastructure and
Lands Corporation, due June 30, 2050 1,552,076 1,597,062
5.13% Bank loan payable in blended monthly
payments of \$3,988, due August 31, 2030 492,070 -
7,629,984 7,182,900
Less: current portion of long-term debt 69,308 44,986
\$ 7,560,676 \$ 7,137,914
Interest on promissory notes is calculated annually and payable quarterly to
the shareholders.
In September 2025, the Corporation entered into a \$500,000 loan agreement
with Bank of
Montreal. The loan bears interest at 5.13% and matures on August 31, 2030.
The fair value of the long-term debt is estimated at \$1,266,573 (December 31,
2024 - \$1,165,145)
for the Ontario Infrastructure and Lands Corporation debenture, \$508,778
(December 31, 2024 -
\$nil) for the Bank of Montreal Bank Loan and \$5,563,307 (December 31, 2024 -
\$5,558,601) in
aggregate for the shareholder promissory notes due in 2032. Fair value was
determined based on
discounting all estimated future repayments of principal and interest
required to fully repay the debt
at the estimated interest rate that would be available to the Corporation on
December 31, 2025 for
these financial instruments. The fair value measurement which has been
disclosed is included in
level 2 of the fair value hierarchy.
OTTAWA RIVER POWER CORPORATION
Notes to Financial Statements (continued)
Year ended December 31, 2025
33

15. Capital stock:

(a) Authorized:

Unlimited number of common shares

Unlimited number of non-cumulative special shares

Unlimited number of non-voting, non-cumulative Class A special shares,
redeemable at one
dollar per share

Unlimited number of non-voting, non-cumulative Class B special shares,
redeemable at one
dollar per share

Unlimited number of non-voting, non-cumulative Class C special shares,
redeemable at one
dollar per share

Unlimited number of non-voting, non-cumulative Class D special shares,
redeemable at one
dollar per share

Articles of amendment were issued on October 17, 2014 to authorize the Class
A, B, C and D

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

special shares. Class A, B, C and D special shares were issued on January 15, 2015.

Dividends on special shares are payable at the discretion of the Board of Directors.

(b) Issued:

As at December 31, 2025, the common shares of the Corporation are held as follows:

Common Percentage
shares ownership

Corporation of the City of Pembroke 4,364 78.38%

Corporation of the Municipality of Mississippi Mills 888 15.95%

Corporation of the Township of Killaloe, Hagarty and Richards 169 3.03%

Corporation of the Township of Whitewater Region 147 2.64%

5,568 100%

No movement in common share capital has occurred during 2025 or 2024.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

34

15. Capital stock (continued):

(b) Issued (continued):

As at December 31, 2025, the special shares of the Corporation are held as follows:

Special
shares Class

Corporation of the City of Pembroke 4,364 A

Corporation of the Municipality of Mississippi Mills 888 B

Corporation of the Township of Killaloe, Hagarty and Richards 169 C

Corporation of the Township of Whitewater Region 147 D

5,568

The special shares were issued on January 15, 2015. There was no movement on special

share capital during 2025 or 2024.

(c) Dividends per share:

During 2025, the Corporation paid no dividends (2024 - \$nil).

16. Commitments:

City of Pembroke

The Corporation rents its premises in Pembroke, Ontario, from the Corporation of The City of

Pembroke under the terms of a ten-year operating lease at an annual rental of \$12. The lease

contained an option which allowed the lessee to purchase the property on or before December 1,

2009, at a cost of three hundred and sixty thousand, five hundred and eighty-three dollars

(\$360,583) together with any assessable environmental clean-up costs. The

Corporation is

currently in discussions with the Corporation of the City of Pembroke

regarding the status of this

lease.

Mississippi River Power Corporation

The Corporation rents office premises from Mississippi River Power

Corporation at an annual cost

of \$15,732. The lease expires on September 30, 2028.

The Corporation rents substation premises from Mississippi River Power

Corporation at a monthly

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

cost of \$575. The lease expires on December 31, 2026.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

35

16. Commitments (continued):

Municipality of Mississippi Mills

The Corporation executed a new lease agreement effective December 1, 2023.

The lease expires

on November 30, 2026. The Corporation is committed to \$90,400 annual minimum rent payment

under the agreement.

17. Contingencies:

Insurance claims:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange

("MEARIE"). A reciprocal insurance exchange may be defined as a group of persons formed for

the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other.

MEARIE is licensed to provide general liability insurance to member electric utilities.

Insurance premiums charged to each municipal electric utility consist of a levy per thousand dollars

of service revenue subject to a credit or surcharge based on each electric utility's claims

experience. Effective January 1, 2001, coverage is provided to a level of \$20 million per incident.

No provision has been made for these potential liabilities as the Corporation expects that these

claims are adequately covered by its insurance.

18. Revenue:

2025 2024

Revenue from contracts with customers:

Power recovery \$ 24,834,416 \$ 24,170,079

Distribution:

Residential service 3,593,895 3,331,536

General service 1,056,369 850,150

Larger users 974,658 982,238

5,624,922 5,163,924

\$ 30,459,338 \$ 29,334,003

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

36

18. Revenue (continued):

2025 2024

Other operating revenue:

Late payment charges \$ 56,017 \$ 65,420

Property and equipment rent 179,063 72,084

Change of occupancy and connection fees 39,210 37,260

Unregulated contracting 472,424 617,337

Interest 91,388 238,912

Billing and collection charges 13,690 15,647

Gain on disposal of property, plant and equipment 14,626 9,506

Recoverable work 891 -

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

\$ 867,309 \$ 1,056,166

19. Expenses by nature:

Distribution operation and maintenance

2025 2024

Materials, supplies, small tools recovery \$ 143,148 \$ 41,481

Salaries and benefits 1,412,196 1,070,283

Training and travel 54,803 30,744

Office and general 225,197 161,604

Utilities 68,736 63,372

Property taxes 33,557 29,453

\$ 1,937,637 \$ 1,396,937

Community relations

2025 2024

Advertising \$ 20,565 \$ 24,000

Safety program 3,021 5,510

\$ 23,586 \$ 29,510

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

37

19. Expenses by nature (continued):

Billing and collecting

2025 2024

Smart meter reading and operations \$ 39,992 \$ 42,111

Postage 155,914 145,620

Salaries and benefits 445,415 422,349

Information technology 164,916 265,073

Office and general 163,382 59,254

Bad debts 153,985 124,611

Collection agency costs 9,485 2,313

\$ 1,133,089 \$ 1,061,331

General and administrative

2025 2024

Salaries and benefits \$ 790,245 \$ 851,680

Memberships, fees and dues 92,961 93,120

Legal 2,467 30,365

Audit 57,345 64,093

Engineering 5,250 -

Professional services 3,200 1,950

Building maintenance 116,993 112,609

Advertising 35,495 7,500

Regulatory 156,875 159,029

Information technology 220,815 196,039

Telephone 37,247 32,885

Insurance 84,983 75,205

Bank charges 22,806 21,424

Office supplies and materials 33,736 19,472

\$ 1,660,418 \$ 1,663,371

20. Financial risk management:

As part of its operations, the Corporation carries out transactions that expose it to financial risks

such as credit, liquidity and market risks. The following is a discussion of risks and related mitigation

strategies that have been identified by the Corporation for financial

instruments. This is not an

exhaustive list of all risks, nor will the mitigation strategies eliminate

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

all risks identified.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

38

20. Financial risk management (continued):

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. The maximum credit exposure is limited to the carrying amount of cash, accounts receivable, and unbilled energy revenue presented on the balance sheet.

The Corporation limits its exposure to credit loss by placing its cash with a high credit quality financial institution. The Corporation maintains cash with two major financial institutions.

Eligible deposits per financial institution are insured to a maximum basic insurance level of

\$100,000, including principal and interest by the Canada Deposit Insurance Corporation. The

Corporation is exposed to credit risk related to accounts receivable and unbilled revenue arising

from its day-to-day electricity and service revenue. Exposure to credit risk is limited due to the

Corporation's large and diverse customer base. The Corporation has approximately 12,000

customers, the majority of which are residential. No single customer accounts for revenue in

excess of 10% of total revenue. The Corporation limits its credit risk by collecting deposits,

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. Although these rules limit the risk of the Corporation, no deposits are required

by customers who have shown good payment history for the previous 12-month period. The

Corporation believes that its accounts receivable represent a low credit risk.

The carrying amount of accounts receivable is reduced through the use of an allowance for

doubtful accounts and the amount of the related impairment loss is recognized in net income.

The provision is based on account age and customer standing. Subsequent recoveries of

receivables previously provisioned are credited to net income.

The value of accounts receivable, by age, and the related bad debt provision are presented in

the following table. Unbilled energy revenue which is not included in the table below is

considered all current.

2025 2024

Under 30 days \$ 3,356,709 \$ 2,670,570

30 to 60 days 74,017 103,801

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

61 to 90 days 51,681 66,170
Over 90 days 803,129 667,145
4,285,536 3,507,686

Allowance for doubtful accounts (748,654) (584,890)
Total accounts receivable \$ 3,536,882 \$ 2,922,796

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

39

20. Financial risk management (continued):

(a) Credit risk:

The following table reconciles the opening and closing loss allowance for trade and other

receivables:

2025 2024

Balance, beginning of year \$ 584,890 \$ 474,434

Net remeasurement of loss allowance 153,985 115,322

Write-offs (875) (14,373)

Recoveries of amounts previously written off 10,654 9,507

Balance, end of year \$ 748,654 \$ 584,890

Net remeasurement of loss allowance \$ 153,985 \$ 115,322

Recoveries of amounts previously written off - 9,289

Bad debt expense \$ 153,985 \$ 124,611

(b) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as

they come due. The Corporation monitors its liquidity risk to ensure access to sufficient funds

to meet operational and investing requirements. The Corporation's objective is to ensure that

sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest

exposure. The Corporation has access to a \$1,000,000 line of credit and monitors cash

balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments

as they come due.

0 to 3 3 months 1 year to

months to 1 year 2 years Thereafter

Accounts payable and

accrued liabilities \$ 8,490,025 \$ - \$ - \$ -

Debt obligations 82,036 246,109 303,773 8,582,050

Total, December 31, 2025 \$ 8,572,061 \$ 246,109 \$ 303,773 \$ 8,582,050

(c) Market risk:

The Corporation is not exposed to significant market risk given they do not have investments

in foreign currency, and have minimal investment in interest bearing instruments.

OTTAWA RIVER POWER CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

40

21. Energy purchase:

The Corporation is dependent on Hydro One for a significant portion of the electricity it purchases.

The amount owing to Hydro One at December 31, 2025 is \$6,768,995 (2024 -

Corporation's name	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

\$4,137,203).

Included in cost of power in the statement of income and comprehensive income is \$22,581,541

(2024 - \$19,620,180) purchased from Hydro One.

22. Bank indebtedness, bankers' acceptances and letters of credit:

The Corporation has a bilateral demand line of credit for \$1,000,000 with a Canadian chartered

bank. The line of credit bears interest at the bank's prime rate. At December 31, 2025, \$nil had

been drawn on the line of credit (2024 - \$Nil).

There is one credit facility bearing general, non-financial covenants, which the amount drawn from

is \$nil as at December 31, 2025.

23. Capital management:

The Corporation considers its capital to be its long-term debt, capital stock and retained earnings.

The Corporation's main objectives when managing capital are to: (i) ensure sufficient liquidity to

maintain and improve its electricity distribution system, support its financial obligations and execute

its operating and strategic plans; ii) minimize the cost of capital while taking into consideration

current and future industry, market and economic risks and conditions; iii) maintain an optimal

capital structure that provides necessary financial flexibility and considers recoveries of financing

charges permitted by the OEB, while also ensuring compliance with any financial covenants, and

iv) provide an adequate return to its shareholders.

The Corporation relies on its cash flow from operations to fund its dividend distributions to its

shareholders.

Canada Revenue
AgencyAgence du revenu
du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see 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	224,763	A1
Net income (loss) after extraordinary items from line 110 of Schedule 150	0	A2
Total	224,763	A

Add:

Provision for income taxes – current	101	42,609	
Provision for income taxes – deferred	102	123,290	
Interest and penalties on taxes	103	14,315	
Amortization of tangible assets	104	993,616	
Non-deductible meals and entertainment expenses	121	839	
Other reserves on lines 270 and 275 from Schedule 13	125	584,890	
Reserves from financial statements – balance at the end of the year	126	1,053,832	
Subtotal of additions		2,813,391	2,813,391

Add:

Other additions:

1 Description	2 Amount		
605	295		
1 CIAC increase	318,289		
2 OCI loss included	58,299		
3 Additional amortization included	69,717		
4 Gain on disposal	14,626		
Total of column 2	460,931	296	460,931
Subtotal of other additions		199	460,931
Total additions		500	3,274,322
Amount A plus line 500			3,499,085

Deduct:

Gain on disposal of assets per financial statements	401	14,626	
Capital cost allowance from Schedule 8	403	1,554,532	
Other reserves on line 280 from Schedule 13	413	748,654	
Reserves from financial statements – balance at the beginning of the year	414	845,251	
Subtotal of deductions		3,163,063	3,163,063

Deduct:

Other deductions:

1 Description	2 Amount
705	395
1 Amortization of contributions in aid of construction	61,037
2 FT in regulatory liabilities	123,290

	1 Description	2 Amount			
	705	395			
3	Election - 13(7.4)	318,289			
	Total of column 2	502,616	396	502,616	
			Subtotal of other deductions	499	502,616
			Total deductions	510	3,665,679
					502,616 E
					3,665,679
					-166,594 C
	Net income (loss) for income tax purposes (amount B minus line 510)				
	Enter amount C on line 300 of the T2 return.				



Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, limited partnership loss, or restricted interest and financing expense; to determine the amount of restricted farm losses, limited partnership losses, and restricted interest and financing expenses (RIFE) that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- All legislative references are to the federal Income Tax Act.
- According to subsection 111(4), when control has been acquired, no amount of capital loss incurred in a tax year ending before that time is deductible when calculating taxable income for a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible when calculating taxable income for a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses except as listed in paragraphs 111(5)(a) and (b), and of RIFE except as listed in paragraph 111(5)(a).
- For information on these losses, see Guide T4012, T2 Corporation – Income Tax.
- File this schedule with the T2 Corporation Income Tax Return, or send the schedule by itself to the tax centre where the return is filed.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-166,594	1A
RIFE deducted in the year under paragraph 111(1)(a.1) (enter as a positive amount)	1B		
Net capital losses deducted in the year (enter as a positive amount)	1C		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)	1D		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)	1E		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)	1F		
Employer deduction for non-qualified securities – Paragraph 110(1)(e)	1G		
Subtotal (total of amounts 1B to 1G)			1H
Subtotal (amount 1A minus amount 1H; if positive, enter "0")		-166,594	1I

Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions			1J
Subtotal (amount 1I minus amount 1J)		-166,594	1K

Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)			1L
Current-year non-capital loss (amount 1K plus amount 1L, if positive enter "0")		-166,594	1M
If amount 1M is negative, enter it on line 110 as a positive amount.			

Continuity of non-capital losses and request for a carryback

Non-capital losses at the end of the previous tax year		292,485	1N
Non-capital loss expired ¹	100		
Non-capital losses at the beginning of the tax year (amount 1N minus line 100)	102	292,485	
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary ² corporation	105		
Current-year non-capital loss (from amount 1M)	110	166,594	
Subtotal (line 105 plus line 110)		166,594	1O
Subtotal (line 102 plus amount 1O)		459,079	1P

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

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

Part 1 – Non-capital losses (continued)

Other adjustments (includes adjustments for an acquisition of control)	150	
Section 80 – Adjustments for forgiven amounts	140	
Subsection 111(10) – Adjustments for fuel tax rebate		
Non-capital losses of previous tax years applied in the current tax year	130	
Enter the amount from line 130 on line 331 of the T2 return.		
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax ³	135	
Subtotal (total of lines 150, 140, 130 and 135)		1Q
Non-capital losses before any request for a carryback (amount 1P minus amount 1Q)		459,079 1R

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	
Second previous tax year to reduce taxable income	902	
Third previous tax year to reduce taxable income	903	
First previous tax year to reduce taxable dividends subject to Part IV tax	911	
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)		1S
Closing balance of non-capital losses to be carried forward to future tax years (amount 1R minus amount 1S)	180	459,079

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

Part 2 – Capital losses**Continuity of capital losses and request for a carryback**

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

Note

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

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

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

Part 2 – Capital losses (continued)

Capital losses from previous tax years applied against the current-year net capital gain ⁶	225	
Capital losses before any request for a carryback (amount 2F minus line 225)		2G
Request to carry back capital loss to: ⁷		
	Capital gain (100%)	Amount carried back (100%)
First previous tax year	951	
Second previous tax year	952	
Third previous tax year	953	
	Subtotal (total of lines 951 to 953)	2H
Closing balance of capital losses to be carried forward to future tax years (amount 2G minus amount 2H) ⁸	280	

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

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

⁸ Capital losses can be carried forward indefinitely.

Part 3 – Farm losses**Continuity of farm losses and request for a carryback**

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

Request to carry back farm loss to:

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

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

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

Part 4 – Restricted farm losses**Current-year restricted farm loss**

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

Continuity of restricted farm losses and request for a carryback

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

Request to carry back restricted farm loss to:

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

Note

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

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

Part 5 – Listed personal property losses**Continuity of listed personal property losses and request for a carryback**

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

Request to carry back listed personal property loss to:

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

¹² A listed personal property loss expires after **seven tax years**.

Part 7 – Limited partnership losses**Current-year limited partnership losses**

1	2	3	4	5	6	7
Partnership account number	Tax year ending YYYY/MM/DD	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, clean economy tax credit, farming losses, and resource expenses ¹⁵	Column 4 minus column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 minus column 6)
600	602	604	606	608		620
Total (enter this amount on line 222 of Schedule 1)						

1.

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

1	2	3	4	5	6	7
Partnership account number	Tax year ending YYYY/MM/DD	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, clean economy tax credit, business or property losses, and resource expenses ¹⁵	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

1.

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

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

1.

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

¹⁵ Clean economy tax credit is defined in subsection 127.47(1).

Part 8 – Restricted interest and financing expenses (RIFE)**Continuity of RIFE**

RIFE at the end of the previous tax year **700** _____

RIFE transferred on an amalgamation or on the wind-up of a subsidiary corporation **705** _____

RIFE adjustments for an acquisition of control **750** _____

Subtotal (line 700 **plus** line 705 **minus** line 750) **8A**

Enter amount 8A on line 128 in Part 2J of Schedule 130, Excessive Interest and Financing Expenses Limitation.

Current-year restricted interest and financing expense determined under subsection 111(8)
(amount A from Part 2O of Schedule 130) **710** _____

RIFE deducted for the tax year ¹⁶ **730** _____

Enter the amount from line 730 on line 336 of the T2 return.

Closing balance of RIFE (amount 8A **plus** line 710 **minus** line 730) **780** _____

¹⁶ The amount deducted **must** not exceed amount B in Part 2J of Schedule 130.

Part 9 – Election under paragraph 88(1.1)(f)

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

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

Note

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

See the privacy notice on your return.

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	166,594			N/A		166,594
1st preceding taxation year 2024-12-31	23,382	N/A		N/A			23,382
2nd preceding taxation year 2023-12-31	269,103	N/A		N/A			269,103
3rd preceding taxation year 2022-12-31		N/A		N/A			
4th preceding taxation year 2021-12-31		N/A		N/A			
5th preceding taxation year 2020-12-31		N/A		N/A			
6th preceding taxation year 2019-12-31		N/A		N/A			
7th preceding taxation year 2018-12-31		N/A		N/A			
8th preceding taxation year 2017-12-31		N/A		N/A			
9th preceding taxation year 2016-12-31		N/A		N/A			
10th preceding taxation year 2015-12-31		N/A		N/A			
11th preceding taxation year 2014-12-31		N/A		N/A			
12th preceding taxation year 2013-12-31		N/A		N/A			
13th preceding taxation year 2012-12-31		N/A		N/A			
14th preceding taxation year 2011-12-31		N/A		N/A			
15th preceding taxation year 2010-12-31		N/A		N/A			
16th preceding taxation year 2009-12-31		N/A		N/A			
17th preceding taxation year 2008-12-31		N/A		N/A			
18th preceding taxation year 2007-12-31		N/A		N/A			
19th preceding taxation year 2006-12-31		N/A		N/A			
20th preceding taxation year 2005-12-31		N/A		N/A			*
Total	292,485	166,594					459,079

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

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

- Fill out this schedule to calculate the amount of capital cost allowance (CCA) the corporation is claiming for the tax year or to account for acquisitions or dispositions of depreciable property, or both.
- Unless otherwise stated, all legislative references are to the Income Tax Act.
- For more information, see the section called "Schedule 8, Capital Cost Allowance (CCA)" in Guide T4012, T2 Corporation – Income Tax.
- If you do not have enough space to list all the information, use an additional Schedule 8.
- Attach the original copy of this completed schedule to your T2 Corporation Income Tax Return.

Is the corporation electing under subsection 1101(5q) of the Income Tax Regulations? **101** Yes ☐ No ☒

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 accelerated investment incentive property (AIIP) or property acquired before 2025 that is included in Classes 54 to 56	5 Cost of acquisitions from column 3 that are reaccelerated investment incentive property (RIIP) or property acquired after 2024 that is included in Classes 54 to 56	6 Adjustments and transfers	7 Amount from column 6 that is assistance received or receivable during the year for a property, subsequent to its disposition	8 Amount from column 6 that is repaid during the year for a property, subsequent to its disposition
Note 1			Note 2	Note 3	Note 4	Note 5	Note 6	Note 7
200		201	203	225	226	205	221	222
1. 1	Buildings	450,183	49,980		49,980			
2. 2	Electrical distributing equipment	2,254,773						
3. 8	Equipment	353,303	273,588		273,588			
4. 10	Computer Hardware & Vehicles	43,508						
5. 45	Computer Hardware	9,877						
6. 47	Electrical distributing equipment	10,684,464	2,062,155		2,062,155			
7. 50	Computer hardware post March 2007	57						
8. 14.1		861,344						
9. 12	Software		26,796					
10. 50	Computer hardware	4,679	36,096		36,096			
Totals		14,662,188	2,448,615		2,421,819			

1 Class number	Description	9 Proceeds of dispositions Note 8	10 UCC (column 2 plus column 3 plus or minus column 6 Note 9	11 Proceeds of dispositions available to reduce additions of AIIP, RIIP and property included in Classes 54 to 56 (column 7 plus column 9 minus column 3 plus column 4 plus column 5 minus column 8) (if negative, enter "0")	12 Net capital cost additions of AIIP and property acquired before 2025 that is included in Classes 54 to 56 (column 4 minus column 11) (if negative, enter "0")	13 Proceeds of dispositions from column 11 available to reduce additions of RIIP and ZEV acquired after 2024 that is included in Classes 54 to 56 (column 11 minus column 4) (if negative, enter "0")	14 Net capital cost additions of RIIP and property acquired after 2024 that is included in Classes 54 to 56 (column 5 minus column 13) (if negative, enter "0")	15 UCC adjustment for AIIP and property acquired before 2025 that is included in Classes 54 to 56 (column 12 multiplied by the relevant factor) Note 10
		207						
1. 1	Buildings	0	500,163				49,980	
2. 2	Electrical distributing equipment	0	2,254,773					
3. 8	Equipment	0	626,891				273,588	
4. 10	Computer Hardware & Vehicles	0	43,508					
5. 45	Computer Hardware	0	9,877					
6. 47	Electrical distributing equipment	0	12,746,619				2,062,155	
7. 50	Computer hardware post March 2007	0	57					
8. 14.1		0	861,344					
9. 12	Software	0	26,796					
10. 50	Computer hardware	0	40,775				36,096	
Totals			17,110,803				2,421,819	

1 Class number	Description	16 UCC adjustment for RIIP and property acquired after 2024 that is included in Classes 54 to 56 (column 14 multiplied by the relevant factor) Note 11	17 UCC adjustment for property acquired during the year other than AIIP, RIIP and property included in Classes 54 to 56 (0.5 multiplied by the result of column 3 minus column 4 minus column 5 plus column 8 minus column 7 minus column 9) (if negative, enter "0") Note 12	18 CCA rate % Note 13	19 Recapture of CCA Note 14	20 Terminal loss Note 15	21 CCA (for declining balance method, the result of column 10 plus column 15 plus column 16 minus column 17, multiplied by column 18 or a lower amount) Note 16	22 UCC at the end of the year (column 10 minus column 21)
		Note 11	Note 12	Note 13	Note 14	Note 15	Note 16	
			224	212	213	215	217	220
1. 1	Buildings	24,990		4	0	0	21,006	479,157
2. 2	Electrical distributing equipment			6	0	0	135,286	2,119,487
3. 8	Equipment	136,794		20	0	0	152,737	474,154
4. 10	Computer Hardware & Vehicles			30	0	0	13,052	30,456
5. 45	Computer Hardware			45	0	0	4,445	5,432
6. 47	Electrical distributing equipment	1,031,078		8	0	0	1,102,216	11,644,403

1 Class number	Description	16 UCC adjustment for RIIP and property acquired after 2024 that is included in Classes 54 to 56 (column 14 multiplied by the relevant factor) Note 11	17 UCC adjustment for property acquired during the year other than AIIP, RIIP and property included in Classes 54 to 56 (0.5 multiplied by the result of column 3 minus column 4 plus column 8 minus column 7 minus column 9) (if negative, enter "0") Note 12	18 CCA rate % Note 13	19 Recapture of CCA Note 14	20 Terminal loss Note 15	21 CCA (for declining balance method, the result of column 10 plus column 15 plus column 16 minus column 17, multiplied by column 18 or a lower amount) Note 16	22 UCC at the end of the year (column 10 minus column 21)
			224	212	213	215	217	220
7. 50	Computer hardware post March 2007			55	0	0	31	26
8. 14.1				5	0	0	60,294	801,050
9. 12	Software			100	0	0	26,796	
10. 50	Computer hardware	29,533		55	0	0	38,669	2,106
Totals		1,222,395					1,554,532	15,556,271

Enter the total of column 19 on line 107 of Form T2 SCH 1, Net Income (Loss) for Income Tax Purposes.
Enter the total of column 20 on line 404 of Form T2 SCH 1.
Enter the total of column 21 on line 403 of Form T2 SCH 1.

Notes

- Note 1:** If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101.
- Note 2:** 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 exclusions from the half-year rule. Do not include any amount in column 3 in respect of property included in column 6 (Note 5). See Guide T4012 for more information about the cost of acquisitions during the year.
- Note 3:** An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018 and before 2025, 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 2034.
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that you acquired after March 1, 2020, and that became available for use before 2034.
See Guide T4012 for more information.
- Note 4:** An RIIP is a property (other than property included in Classes 54 to 56) that you acquired after 2024, and that became available for use before 2034.
Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2034.
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that you acquired after March 1, 2020, and that became available for use before 2034.
See Guide T4012 for more information.
- Note 5:** Enter in column 6, "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 6.
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 6:** Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 7:** 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 8:** 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 designated immediate expensing property) 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 9:** If the amount in column 6 (as shown in brackets) reduces the UCC, you must subtract it for the purpose of the calculation. Otherwise, add the amount in column 6 for the purpose of the calculation.
- Note 10:** The adjustment from column 15 is added to the UCC in column 10 to calculate the CCA deduction in column 21.
The relevant factors for property of a class in Schedule II, that is an AIIP or property acquired before 2025 that is included in Classes 54 to 56, are:
 - 1 1/2 for property in Classes 43.1, 54 and 56 that became available for use in 2024 or 2025 or 5/6 if it became available for use after 2025
 - 7/8 for property in Class 55 that became available for use in 2024 or 2025 or 3/8 if it became available for use after 2025
 - 1/2 for property in Classes 43.2 and 53 that became available for use in 2024 or 2025 or 1/10 if it became available for use after 2025
 - 3 for property in Class 44 that was acquired and became available for use after April 15, 2024 and before 2027 or 0 if it became available for use after 2026
 - 2 1/3 for property in Class 46 that was acquired and became available for use after April 15, 2024 and before 2027 or 0 if it became available for use after 2026
 - 9/11 for property in Class 50 that was acquired and became available for use after April 15, 2024 and before 2027 or 0 if it became available for use after 2026
 - 0 for property in Classes 12, 13, 14, 15, and 58, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 16 for additional information)
 - 0 for all other property (including property in Class 10.1) that is an AIIP (other than property in Classes 44, 46 or 50) that became available for use after 2023
If the tax year does not follow the calendar year, the relevant factor is determined under subsection 1100(2.01) of the Regulations.

Notes (continued)

Note 11: The adjustment from column 16 is added to the UCC in column 10 to calculate the CCA deduction in column 21.

The relevant factors for property of a class in Schedule II, that is an RIIP or property acquired after 2024 that is included in Classes 54 to 56, are:

- 2 1/3 for property in Classes 43.1, 54 and 56 that became available for use before 2030
- 1 1/2 for property in Class 55 that became available for use before 2030
- 1 for property in Class 53
- 2 1/3 for property in Class 43 acquired after 2025 that became available for use before 2030, if such property would have been included in Class 53 if it had been acquired in 2025
- 3 for property in Class 44 that became available for use before 2027 or 0 if it became available for use after 2026
- 2 1/3 for property in Class 46 that became available for use before 2027 or 0 if it became available for use after 2026
- 9/11 for property in Class 50 that became available for use before 2027 or 0 if it became available for use after 2026
- 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 16 for additional information)
- 0.5 for all other property (including property in Class 10.1) that is an RIIP that became available for use before 2030 or 0 if it became available for use after 2029

If the tax year does not follow the calendar year, the relevant factor is determined under subsection 1100(2.011) of the Regulations.

Note 12: 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, RIIP 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. The adjustment from column 17 is subtracted from the UCC in column 10 to calculate the CCA deduction in column 21.

Note 13: 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 21.

Note 14: 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 19 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 designated immediate expensing property.

Note 15: 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 20. 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 16: 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 and RIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: if the capital cost of the RIIP was incurred before 2030, 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 is an RIIP that becomes available for use in the year and before 2030) or 125% (if the property is an AIIP that becomes available for use in the year and after 2023 or an RIIP that becomes available for use in the year and after 2029) 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 an RIIP acquired in the year and before 2026) or 125% (if the property is an AIIP acquired in the year and after 2023 or an RIIP acquired in the year and after 2025) 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 RIIP acquired in the year and before 2030) 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)
- Natural gas liquefaction: The additional allowances in respect of natural gas liquefaction under paragraphs 1100(1)(a.3) and (yb) of the Regulations are eligible for the accelerated investment incentive and the reaccelerated investment incentive.

The AIIP and RIIP 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.

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

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

Name	Country of residence (other than Canada)	Business number (see note 1)	Relation- ship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
100	200	300	400	500	550	600	650	700
1. Ottawa River Energy Solutions Inc.		86613 9025 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

Continuity of Reserves

Name of corporation	Business number	Tax year end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

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

Part 1 – Capital gains reserves

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

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

Part 2 – Other reserves

Description	Balance at the beginning of the year \$	Transfer on an amalgamation or the wind-up of a subsidiary \$	Add \$	Deduct \$	Balance at the end of the year \$
	110	115			120
Reserve for doubtful debts ☒	584,890		748,654	584,890	748,654
	130	135			140
Reserve for undelivered goods and services not rendered ☐					
	150	155			160
Reserve for prepaid rent ☐					
	190	195			200
Reserve for refundable containers ☐					
	210	215			220
Reserve for unpaid amounts ☐					
	230	235			240
Other tax reserves ☐					
Totals	584,890		748,654	584,890	748,654

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

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

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
 - An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.
- Column 1:** Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.
- Column 2:** Provide the business number for each corporation (if a corporation is not registered, enter "NR").
- Column 3:** Enter the association code from the list below that applies to each corporation:
- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
 - 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
 - 3 – Non-CCPC that is a **third corporation**
 - 4 – Associated non-CCPC
 - 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28
- Column 4:** Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).
- Column 5:** Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.
- Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A does not exceed \$500,000.

Allocating the business limit

Date filed (do not use this area)

025

Year Month Day

Enter the calendar year the agreement applies to

050

Year
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?

075

☐ Yes ☒ No

1	2	3	4	5	6
Name of associated corporations	Business number of associated corporations	Association code	Business limit for the year before the allocation \$	Percentage of the business limit %	Business limit allocated* \$
100	200	300		350	400
1 Ottawa River Power Corporation	87176 4072 RC0001	1	500,000		
2 Ottawa River Energy Solutions Inc.	86613 9025 RC0001	1	500,000	100.0000	500,000
Total				100.0000	500,000 A

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

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

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

Special rules for business limit

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



Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than \$10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	
Capital stock (or members' contributions if incorporated without share capital)	103	5,591,406
Retained earnings	104	5,175,913
Contributed surplus	105	
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	
Any dividends declared but not paid by the corporation before the end of the year	110	
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111	
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112	
Subtotal (add lines 101 to 112)		10,767,319 ▶ 10,767,319 A

Note:

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

- A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- a) those lines applied to partnerships in the same manner that they apply to corporations, and
 - b) those amounts were computed without reference to amounts owing by the partnership
 - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.
- B is the partnership's deferred unrealized foreign exchange losses at the end of the period,
- C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and
- D is the partnership's income or loss for the period.

Part 1 – Capital (continued)Subtotal A (from page 1) 10,767,319 A**Deduct** the following amounts:Deferred tax debit balance at the end of the year **121** _____Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year **122** _____To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year. **123** _____Deferred unrealized foreign exchange losses at the end of the year **124** _____Subtotal (add lines 121 to 124) **190** 10,767,319 B**Capital for the year** (amount A minus amount B) (if negative, enter "0")**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:**

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

Part 3 – Taxable capitalCapital for the year (line 190) 10,767,319 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** 10,767,319

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)	10,767,319	x	Taxable income earned in Canada	610		1,000	=	Taxable capital employed in Canada	690		10,767,319
						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	Business number	Tax year-end Year Month Day
Ottawa River Power Corporation	87176 4072 RC0001	2025-12-31

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

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (if followed by 8 digits)	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Corporation of the City of Pembroke	121936140RC0001			79.000	79.000
2	Corporation of the Town of Mississippi Mills	866266653RC0001			16.000	16.000
3						
4						
5						
6						
7						
8						
9						
10						