

EXHIBIT 6 – REVENUE REQUIREMENT,  
SUFFICIENCY/DEFICIENCY

2024 Cost of Service

Hawkesbury Hydro Inc.  
EB-2024-0031

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## 6.1 PROPOSED REVENUE REQUIREMENT

The 2025 Test Year Base Revenue Requirement represents the amount of revenue the utility must collect from its customers to cover its day-to-day operating costs, taxes, interest paid on debts owed to investors (in HHI's case, cooperative members), and a deemed return (profit).

HHI's 2025 revenue requirement is calculated to be \$2,224,767.

Table 1 - Test Year Revenue Requirement (RRWF Model) below originates from the OEB's Revenue Requirement Workform. It presents HHI's proposed 2025 Test Year Revenue Requirement as calculated in the OEB's Revenue Requirement Work:

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

Particulars	Application
OM&A Expenses	\$1,658,229
Amortization/Depreciation	\$289,138
Property Taxes	\$27,805
Income Taxes (Grossed up)	\$10,479
Other Expenses	\$ -
Return	
Deemed Interest Expense	\$183,665
Return on Deemed Equity	\$299,443
<b>Service Revenue Requirement (before Revenues)</b>	<u><u>\$2,468,759</u></u>
Revenue Offsets	<u>\$243,992</u>
<b>Base Revenue Requirement</b>	<u><u>\$2,224,767</u></u>
<b>(excluding Transformer Ownership Allowance credit adjustment)</b>	
Distribution revenue	\$2,224,767
Other revenue	<u>\$243,992</u>
<b>Total revenue</b>	<u><u>\$2,468,759</u></u>

HHI confirms that the OEB's 2025 Revenue Requirement Workform (RRWF) accurately reflects its' proposed rates for the 2025 Test Year, and therefore there is no requirement for the applicant to file its rate generator model.

The proposed revenue requirement proposes to yield a net income of \$299,108. The derivation of the income is shown at Table 2 – Utility Income (RRWF Model).

**Table 2 – Utility Income (RRWF Model)**

Particulars	Initial Application
<b><u>Operating Revenues:</u></b>	
Distribution Revenue (at Proposed Rates)	\$2,224,767
Other Revenue (1)	\$243,992
Total Operating Revenues	<u>\$2,468,759</u>
<b><u>Operating Expenses:</u></b>	
OM+A Expenses	\$1,658,229
Depreciation/Amortization	\$289,138
Property taxes	\$27,805
Capital taxes	\$ -
Other expense	\$ -
Subtotal (lines 4 to 8)	\$1,975,173
Deemed Interest Expense	<u>\$183,665</u>
Total Expenses (lines 9 to 10)	<u>\$2,158,837</u>
<b>Utility income before income taxes</b>	<u><u>\$309,922</u></u>
Income taxes (grossed-up)	<u>\$10,479</u>
<b>Utility net income</b>	<u><u>\$299,443</u></u>

**Error! Not a valid bookmark self-reference.** shows the reconciliation between the return on deemed equity included in the revenue requirement.

**Table 3 – Statement of Rate Base (RRWF Model)**

Particulars	Capitalization Ratio		Cost Rate	Return
	<b>Initial Application</b>			
	(%)	(\$)	(%)	(\$)
<b>Debt</b>		\$4,551,791	3.59%	\$163,409
Long-term Debt	56.00%	\$325,128	6.23%	\$20,255
Short-term Debt	4.00%	\$4,876,919	3.77%	\$183,665
<b>Total Debt</b>	60.00%			
<b>Equity</b>		\$3,251,279	9.21%	\$299,443
Common Equity	40.00%	\$ -	0.00%	\$ -
Preferred Shares	0.00%	\$3,251,279	9.21%	\$299,443
<b>Total Equity</b>	40.00%			
<b>Total</b>		\$8,128,199	5.94%	\$483,108

## 6.1.1 Trend Analysis and Change from 2018 Cost of Service

Table 4 – Movement in Revenue Requirement from last COS (2018) below shows the movement from HHI's 2018 board-approved revenue requirement to the 2025 proposed revenue requirement, along with a high-level explanation of the changes from the 2018 Board Approved Cost of Service. A more in-depth description of the changes is presented in each component's respective Exhibits.

**Table 4 – Movement in Revenue Requirement from last COS (2018)**

Rate Year and Particulars	Rev. Req.	Change from 2018	High-level explanation	Reference
<b>2018 Board Approved Revenue Requirement</b>	<b>\$1,744,141</b>			
Operation Maintenance Admin Costs	\$483,114.99	Increase in Operating expenses to reflect increases in operational demands to accommodate growth, changes in regulation and inflationary costs	Operation Maintenance Admin Costs	Exhibit 4
Depreciation Expense	\$8,070.04	Increase in Depreciation relative to the increase in capital assets	Depreciation Expense	Exhibit 2
<i>Net Fixed Assets</i>	<i>\$3,510,752.08</i>	Increase in Average Net Fixed Assets	<i>Net Fixed Assets</i>	
<i>Working Capital Allowance</i>	<i>-\$87,682.70</i>	Reduction in WCA because of lower Cost of Power	<i>Working Capital Allowance</i>	Exhibit 2
<b>Rate Base</b>	<b>-\$402,771.30</b>	<b>Movement in Rate (Asset) Base</b>	<b>Rate Base</b>	
Return on Capital	\$9,239.32	Increase in Return on Capital	Return on Capital	Exhibit 5
PILs	-\$58.95	Increase in PILs due to increase in Assets	PILs	Exhibit 6
Property Tax	\$10,037			
Other Revenues	-\$29,775.94	Reduction in Other Revenues	Other Revenues	Exhibit 6
<b>Increase in Revenue Requirement</b>	<b>\$480,626.47</b>			
2025 Revenue Requirement	<b>\$2,224,767.27</b>			



**Table 6 - Variance Analysis of Revenue Requirement**

									Test Year	Variance over last CoS
Particular	Last Board Approved	2018	2019	2020	2021	2022	2023	2024	2025	
OM&A Expenses	1,175,114	1,150,244	1,092,802	1,127,442	1,257,384	1,263,449	1,555,746	1,567,658	1,658,229	
YoY change (\$)		-24,871	-57,441	34,639	129,942	6,065	292,297	11,913	90,571	483,115
YoY change (%)		-2.12%	-4.99%	3.17%	11.53%	0.48%	23.13%	0.77%	5.78%	41.11%
Depreciation Expense	281,068.13	270,962.15	268,253.12	268,209.92	272,289.13	277,095.36	271,899.61	278,098.80	289,138.17	
YoY change (\$)		-10,105.98	-2,709.03	-43.20	4,079.21	4,806.23	-5,195.75	6,199.19	11,039.37	8,070
YoY change (%)		-3.60%	-1.00%	-0.02%	1.52%	1.77%	-1.88%	2.28%	3.97%	2.87%
Property Taxes	17,768.00	19,900.35	22,727.73	25,334.80	25,696.54	26,087.61	26,963.48	27,315.00	27,805.00	
YoY change (\$)		2,132.35	2,827.38	2,607.07	361.74	391.07	875.87	351.52	490.00	10,037
YoY change (%)		12.00%	14.21%	11.47%	1.43%	1.52%	3.36%	1.30%		56.49%
Total Distribution Expenses	1,473,950.50	1,441,106.04	1,383,783.15	1,420,986.25	1,555,369.69	1,566,632.02	1,854,608.74	1,873,072.10	1,975,172.54	
YoY change (\$)		-32,844.46	-57,322.89	37,203.10	134,383.44	11,262.33	287,976.72	18,463.36	102,100.44	501,222
YoY change (%)		-2.23%	-3.98%	2.69%	9.46%	0.72%	18.38%	1.00%	5.45%	34.01%
Regulated Return On Capital	473,868.00	502,584.96	492,278.66	490,978.74	480,388.92	480,388.92	477,500.77	477,500.77	483,107.61	
YoY change (\$)		28,716.96	-10,306.30	-1,299.92	-10,589.82	0.00	-2,888.15	0.00	5,606.84	9,240
YoY change (%)		6.06%	-2.05%	-0.26%	-2.16%	0.00%	-0.60%	0.00%	1.17%	1.95%
Grossed up PILs	10,538.00	-215,927.00	219,284.00	-71,950.00	42,339.00	118,884.00	0.00	0.00	10,479.05	
YoY change (\$)		-226,465.00	435,211.00	-291,234.00	114,289.00	76,545.00	-118,884.00	0.00	10,479.05	-59
YoY change (%)		-2149.03%	-201.55%	-132.81%	-158.85%	180.79%	-100.00%			-0.56%
<b>Service Revenue Requirement</b>	<b>1,958,356.50</b>	<b>1,727,764.00</b>	<b>2,095,345.81</b>	<b>1,840,014.99</b>	<b>2,078,097.61</b>	<b>2,165,904.94</b>	<b>2,332,109.51</b>	<b>2,350,572.87</b>	<b>2,468,759.21</b>	
YoY change (\$)		-230,592.50	367,581.81	-255,330.82	238,082.62	87,807.33	166,204.57	18,463.36	118,186.33	510,403
YoY change (%)		-11.77%	21.28%	-12.19%	12.94%	4.23%	7.67%	0.79%	5.03%	26.06%
Less: Revenue Offsets	-214,216.00	-246,083.23	-99,364.76	-144,022.64	-100,719.91	-154,182.21	-221,307.88	-232,373.27	-243,991.94	
YoY change (\$)		-31,867.23	146,718.47	-44,657.88	43,302.73	-53,462.30	-67,125.67	-11,065.39	-11,618.66	-29,776
YoY change (%)		14.88%	-59.62%	44.94%	-30.07%	53.08%	43.54%	5.00%	5.00%	13.90%
<b>Base Revenue Requirement</b>	<b>1,744,140.50</b>	<b>1,481,680.77</b>	<b>1,995,981.05</b>	<b>1,695,992.35</b>	<b>1,977,377.70</b>	<b>2,011,722.73</b>	<b>2,110,801.63</b>	<b>2,118,199.60</b>	<b>2,224,767.27</b>	
YoY change (\$)		-262,459.73	514,300.28	-299,988.70	281,385.35	34,345.03	99,078.90	7,397.97	106,567.67	480,627
YoY change (%)		-15.05%	34.71%	-15.03%	16.59%	1.74%	4.93%	0.35%	5.03%	27.56%

As illustrated in the above tables, the proposed revenue requirement for the Test Year (2025) is 28% higher than the 2018 Cost of Service Approved Revenue Requirement. HHIs represents a 3.20% annual compound growth rate in revenue requirement between the 2018 Cost of Service Approved Revenue Requirement and the proposed 2025 Cost of Service Revenue Requirement.



## **6.2. OPERATION, MAINTENANCE & ADMINISTRATION COSTS (REF: EXHIBIT 4)**

The OM&A variance between 2018 to 2025, which increased by \$483,115 is summarized below, and details are presented throughout Exhibit 4.

HHI encountered substantial cost increases in all groupings from 2018 to 2025. The ongoing maintenance of substations, the effects of severe weather events such as the Derecho storm, and the increasing importance of vegetation management all contributed to a significant increase in operations and maintenance expenses.

The staffing challenges during the pandemic, increased reliance on ERTH Holdings for billing services during staffing issues and increased bad debt expenses all contributed to a significant increase in billing and collecting costs.

Salaries adjustments, third-party service costs, regulatory compliance, and the implementation of new systems all contributed to an increase in administrative and general expenses. In 2018, the total OM&A expenses were \$1,175,114. By 2025, they are expected to be \$1,658,229. This increase also includes inflation, some of which are higher than the PriceCap inflation.

## **6.3 DEPRECIATION EXPENSES (REF: EXHIBIT 2)**

The depreciation expense has increased by \$8,070 or 2.87%. Details of historical capital expenses and their related depreciation expenses are summarized below and are presented in detail in Exhibit 2.

## **6.4 RETURN ON CAPITAL (REF: EXHIBIT 5)**

The regulated return on capital, summarized below, which increased by \$9,239, is explained in Exhibit 5.

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

HHI has used the OEB PILs Tax Work Form model to calculate the amount of taxes for inclusion in its 2025 rates. PILs have been computed under MIFRS accounting policies. HHI's external auditor BDO completed the PILS model to ensure that the current and proposed tax rates have been applied, that the amount of PILS calculated appears reasonable, and that the integrity checks established in the Boards Minimum Filing Requirements have been adhered to.

HHI is required to calculate payment in lieu of income taxes ("PILs") based on its taxable income for the Test Year of 2025.

HHI notes that it does not pay property taxes as its office space is leased. Property Taxes on the distribution system are recorded in OM&A.

HHI files Federal/Provincial tax returns annually.

There have been no exceptional circumstances that would require specific tax planning measures to minimize taxes payable. There are no outstanding audits, reassessments, or disputes relating to the tax returns filed by HHI.

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

HHI's PILs are projected to be in the amount of \$10,479.

The income tax sheet from the OEB's Revenue Requirement Work form is presented in Table 7 - Tax Provision for the Test Year (OEB PILs Model) below, and the PILs model is being filed in conjunction with HHIs application. The most recent federal and provincial tax returns are presented in Attachment 1 of HHIs Exhibit.

**Table 7 - Tax Provision for the Test Year (OEB PILs Model)**

<u>Particulars</u>	<u>Application</u>
<b><u>Determination of Taxable Income</u></b>	
Utility net income before taxes	\$299,443
Adjustments required to arrive at taxable utility income	(\$224,028)
Taxable income	<u>\$75,415</u>
<b><u>Calculation of Utility income Taxes</u></b>	
Income taxes	\$9,201
Total taxes	<u>\$9,201</u>
Gross-up of Income Taxes	<u>\$1,278</u>
Grossed-up Income Taxes	<u>\$10,479</u>
PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$10,479</u>
Other tax Credits	\$ -
<b><u>Tax Rates</u></b>	
Federal tax (%)	9.00%
Provincial tax (%)	<u>3.20%</u>
Total tax rate (%)	<u>12.20%</u>

HHI is not claiming Apprenticeship Training Tax Credits.

HHI confirms that it uses the stand-alone principle when determining PILs amounts.

- ✓ HHI has exercised sound tax planning, and that for rate-setting purposes, it maximized tax credits and took the maximum deductions allowed if it made sense for the utility to do so.
- ✓ A copy of the most current Federal and Provincial taxes is presented in Attachment 1 of HHIs Exhibit.
- ✓ Detailed calculations of Income Tax or PILs are shown in the OEB PILs model filed along with HHIs application.
- ✓ There were no adjustments (e.g., Tax credits, CCA adjustments) for the Historical, Bridge, and Test Years, and as such, no supporting schedules and calculations and explanations for "other additions" and "other deductions" were required.

### **6.5.1 Non- Recoverable and Disallowed Expenses**

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

### **6.5.2 Accelerated CCA**

HHI, has complied with the Accelerated Investment Incentive program, which provides for the first-year increase in CCA deductions on eligible capital assets acquired after November 20, 2018.

HHI confirms that it has recorded the impact of the CCA rules changes in Account 1592 - PILs and Tax Variances – CCA Changes for November 21, 2018, up to 2025 Test Year. The worksheet showing the calculations of the entire revenue requirement impact is filed along with HHIs application. The DVA model shows the full revenue requirement impact recorded in Account 1592.

HHI acknowledges the OEB's practice with respect to the impact of changes in taxes due to regulatory or legislated tax changes during an incentive rate-setting period has been to share the impacts between distributor shareholders and ratepayers on a 50/50 basis. HHI is proposing to dispose of 100%.

HHI also understands that HHIs practice may not apply concerning CCA rules; therefore, the utility proposes to dispose of its balances in the same manner as it disposes of its other deferral and variance accounts through the DVA rate rider mechanism.

HHI is not proposing to smooth the impact of the CCA rules changes and disposition over the IRM period. The utility is proposing not to continue using Account 1592 going forward unless there are new changes to the CCA rules.

### 6.5.3 PILs Integrity Check

HHI and its external auditors, BDO, confirm to the best of their knowledge that the following integrity checks have been completed in its application. In completing the PILs model, BDO 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 31<sup>st</sup> historic year UCC that agrees with the opening bridge year UCC at January 1;
- ✓ 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 carry-forwards; and
- ✓ A statement is included in the application as to when the losses, if any, will be fully utilized.

### 6.6 OTHER REVENUE

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

Other Distribution Revenues includes items such as:

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

A detailed breakdown of the related USoA account is shown in Table 8 – OEB Appendix 2-H on the next page.

Year-over-year variance analysis over the materiality threshold of \$10,000 follows at Section 6.6 - Other Revenue Variance Analysis.

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**Table 8 – OEB Appendix 2-H**

Reporting Basis	2018	2018	2019	2020	2021	2022	2022	2023	2024	2025
<b>USoA Description</b>	<b>Board Approved</b>									
4235	<b>4235-Miscellaneous Service Revenues</b>	-\$65,270	-\$80,771	-\$49,034	-\$63,277	-\$41,143	-\$44,598	-\$43,582	-\$45,761	-\$48,049
4225	<b>4225-Late Payment Charges</b>	-\$29,740	-\$22,901	-\$26,692	-\$30,972	-\$28,227	-\$29,855	-\$27,816	-\$29,206	-\$30,667
4082	4082-Retail Services Revenues	-\$6,381	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4084	4084-Service Transaction Requests (STR) Revenues	-\$111	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4210	4210-Rent from Electric Property	-\$24,285	-\$44,903	-\$17,388	-\$14,180	-\$17,434	-\$25,439	-\$23,534	-\$24,711	-\$25,946
4325	4325-Revenues from Merchandise Jobbing, Etc.	-\$26,331	-\$58,354	-\$43,644	-\$200,686	-\$264,267	-\$114,376	-\$141,246	-\$148,308	-\$155,723
4330	4330-Costs and Expenses of Merchandising Jobbing, Etc.	\$21,663	\$36,237	\$35,459	\$171,729	\$226,203	\$96,692	\$116,788	\$122,627	\$128,758
4355	4355-Gain on Disposition of Utility and Other Property	-\$6,000	-\$46,234	\$3,983	\$487	\$0	\$0	\$0	\$0	\$0
4360	4360-Loss on Disposition of Utility and Other Property	\$0	\$7,416	\$0	\$0	\$0	\$3,003	\$7,049	\$7,401	\$7,771
4375	4375-Revenues from Non-Utility Operations	-\$294,781	-\$223,375	-\$103,553	-\$2,413	\$24,528	\$0	\$0	\$0	\$0
4380	4380-Expenses of Non-Utility Operations	\$223,667	\$219,271	\$142,015	\$7,865	\$453	\$0	\$0	\$0	\$0
4390	4390-Miscellaneous Non-Operating Income	\$0	-\$97	-\$44	\$0	\$0	-\$512	\$0	\$0	\$0
4405	4405-Interest and Dividend Income	-\$6,647	-\$32,373	-\$40,467	-\$12,575	-\$832	-\$39,098	-\$108,967	-\$114,415	-\$120,136
	Total	-\$214,216	-\$246,083	-\$99,365	-\$144,023	-\$100,720	-\$154,182	-\$221,308	-\$232,373	-\$232,373
	<b>Specific Service Charges</b>	-\$65,270	-\$80,771	-\$49,034	-\$63,277	-\$41,143	-\$44,598	-\$43,582	-\$45,761	-\$48,049
	<b>Late Payment Charges</b>	-\$29,740	-\$22,901	-\$26,692	-\$30,972	-\$28,227	-\$29,855	-\$27,816	-\$29,206	-\$30,667
	<b>Other Distribution/Operating Revenues</b>	-\$30,777	-\$44,903	-\$17,388	-\$14,180	-\$17,434	-\$25,439	-\$23,534	-\$24,711	-\$25,946
	<b>Other Income or Deductions</b>	-\$88,429	-\$97,508	-\$6,251	-\$35,593	-\$13,916	-\$54,291	-\$126,376	-\$132,695	-\$139,330
	<b>Total</b>	<b>-\$214,216</b>	<b>-\$246,083</b>	<b>-\$99,365</b>	<b>-\$144,023</b>	<b>-\$100,720</b>	<b>-\$154,182</b>	<b>-\$221,308</b>	<b>-\$232,373</b>	<b>-\$243,992</b>

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## 6.1.1 Other Revenues Variance Analysis

HHI offers the following explanations for variances over \$10,000 or less than -\$10,000. Noteworthy variances between are explained below.

Table 9 - Variance Analysis of Other Operating Revenues below present year-over-year variances of other operating revenues:

**Table 9 - Variance Analysis of Other Operating Revenues 2018BA – 2018**

<i>Reporting Basis</i>			<i>Var Analysis</i>	<i>Var Analysis</i>
	2018	2018	\$	%
<b>USoA Description</b>	<b>Board Approved</b>			
4235-Miscellaneous Service Revenues	\$65,270	\$80,771	\$15,501	23.75%
4210-Rent from Electric Property	\$24,285	\$44,903	\$20,618	84.90%
4325-Revenues from Merchandise Jobbing, etc.	\$26,331	\$58,354	\$32,023	121.62%
4330-Costs and Expenses of Merchandising Jobbing, etc.	\$21,663	\$36,237	\$14,574	67.28%
4355-Gain on Disposition of Utility and Other Property	\$6,000	\$46,234	\$40,234	670.57%
4375-Revenues from Non-Utility Operations	\$294,781	\$223,375	-\$71,406	-24.22%
4405-Interest and Dividend Income	\$6,647	\$32,373	\$25,726	387.03%

### 2018 Board Approved compared to 2018 Actual.

- **4235-Miscellaneous Service Revenues:**

Revenues increased due to several reasons. Sales of power equipment to our general contractor, following the retirement of our last lineman, generated an additional \$6,000. A rise in occupancy charge brought in \$650, while increased reconnection activities added \$4,800. Stricter penalties for NSF cheques resulted in an extra \$1,225. Additionally, the introduction of new services contributed \$2,660.

- **4210-Rent from Electric Property:**

Explanation. ExperTech was in town to add fiber for Bell Canada. They rented HHI space for their equipment and the upper level for their administration and project work, generating \$24,000 in revenue.

- **4325-Revenues from Merchandise Jobbing, Etc.**

Explanation. HHI generated additional revenue from unexpected jobs, including a circuit installation for la Caisse Populaire, which brought in \$15,670. Additionally,

HHI completed an unforeseen Bell pole replacement project, adding \$15,134 to our revenue.

- **4330-Costs and Expenses of Merchandising Jobbing, Etc.**

Explanation. This account covered the costs related to unexpected jobbing work, as detailed in account 4325.

- **4355-Gain on Disposition of Utility and Other Property**

Explanation. At year-end, MNP reclassified \$45,000 from revenue from jobbing to account for the sale of two trucks, as we no longer have a line crew.

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

Explanation. This account includes revenues generated from the Conservation and Demand Management (CDM) activities.

- **4405-Interest and Dividend Income**

Explanation. Regular interest income was higher than expected, as it was underestimated in the 2018 application.

**Table 10 - Variance Analysis of Other Operating Revenues 2018 – 2019**

<i>Reporting Basis</i>			<i>Var Analysis</i>	<i>Var Analysis</i>
<b>USoA Description</b>	<b>2018</b>	<b>2019</b>	<b>\$</b>	<b>%</b>
4235-Miscellaneous Service Revenues	\$80,771	\$49,034	-\$31,737	39.29%
4210-Rent from Electric Property	\$44,903	\$17,388	-\$27,515	61.28%
4325-Revenues from Merchandise Jobbing, Etc.	\$58,354	\$43,644	-\$14,710	25.21%
4355-Gain on Disposition of Utility and Other Property	\$46,234	\$3,983	-\$50,217	108.61%
4375-Revenues from Non-Utility Operations	\$223,375	\$103,553	-\$119,821	53.64%
4380-Expenses of Non-Utility Operations	-\$219,271	-\$142,015	\$77,256	35.23%

**2018 Actual compared to 2019 Actual.**

- **4235-Miscellaneous Service Revenues:**

Explanation. Miscellaneous service revenues included a sale of material amounting to \$6,000. Several revenue streams fell short of expectations: change of occupancy charges was \$3,000 less than anticipated, reconnection revenue was \$5,800 below projections, and collections charges were \$5,300 less than expected. Additionally, revenue from the Bell pole ownership transfer was \$1,460 lower than planned, the Service Ontario refund for truck licensing due to sold vehicles was \$530 less than expected, and new service revenue fell short by \$10,800.

- **4210-Rent from Electric Property:**

Explanation. ExperTech rental revenue decreased as they left our town in May 2019. Additionally, there was a year-end adjustment of \$21,000 in the pole rental variance account due to a change in the pole rental rate.

- **4325-Revenues from Merchandise Jobbing, Etc.**

Explanation. There was less jobbing work than expected.

- **4355-Gain on Disposition of Utility and Other Property**

Explanation. The gain on the sale of a truck in 2018 was a one-time occurrence and did not recur in 2019, resulting in a \$45,000 difference. (2018 settlement)

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

Explanation. Revenues from CDM activities were recorded. The IESO Conservation program provided \$223,374.54 in 2018 and \$103,553.27 in 2019.

- **4380--Expenses of Non-Utility Operations**

Explanation: All expenses were related to CDM activities.



**Table 11 - Variance Analysis of Other Operating Revenues 2019 – 2020**

Reporting Basis			Var Analysis	Var Analysis
	2019	2020	\$	%
<b>USoA Description</b>				
4235-Miscellaneous Service Revenues	\$49,034	\$63,277	\$14,243	29.05%
4325-Revenues from Merchandise Jobbing, Etc.	\$43,644	\$200,686	\$157,042	359.82%
4330-Costs and Expenses of Merchandising Jobbing, Etc.	-35,459	-\$171,729	-\$136,270	384.31%
4375-Revenues from Non-Utility Operations	\$103,553	\$2,413	\$101,140	97.67%
4380-Expenses of Non-Utility Operations	-\$142,015	-\$7,865	-\$134,150	94.46%
4405-Interest and Dividend Income	\$40,467	\$12,575	\$27,892	68.93%

**2019 Actual compared to 2020 Actual.**

○ **4235 - Miscellaneous Service Revenues:**

Revenue included a \$25,000 deductible received from a lawsuit claim following a successful case related to the failure of our Pioneer transformer. However, there were reductions in several areas: arrears certificates decreased by \$540, change of occupancy revenue fell by \$2,800, NSF cheque revenue was reduced by \$2,630, and collections charges were lower by \$3,675.

○ **4325 - Revenues from Merchandise Jobbing, Etc.:**

Significant revenue was generated from various projects, including \$117,735 from a major project at the OPP station, \$10,429 from service to a new garage at 792 Main Street, \$8,067 from Ecolomondo, \$7,238 for Prémoulé/Preform transformer service, \$5,900 from an accident involving a car hitting a pole on Hamilton Street, and \$7,000 from the disposal of a 55T1 transformer.

○ **4330 - Costs and Expenses of Merchandising Jobbing, Etc.:**

Costs and expenses increased proportionally with the rise in job activities and corresponding revenues.

○ **4375 - Revenues from Non-Utility Operations:**

Revenue was derived from residual activities related to CDM (Conservation and Demand Management).

○ **4380 - Expenses of Non-Utility Operations:**

Expenses were associated with residual CDM activities.

- **4405 - Interest and Dividend Income:**

Interest and dividend income was lower than anticipated due to lower-than-expected interest rates.

**Table 12 - Variance Analysis of Other Operating Revenues 2020 – 2021**

<i>Reporting Basis</i>			<i>Var Analysis</i>	<i>Var Analysis</i>
<b>USoA Description</b>	<b>2020</b>	<b>2021</b>	<b>\$</b>	<b>%</b>
4235-Miscellaneous Service Revenues	\$63,277	\$41,143	-\$22,135	34.98%
4325-Revenues from Merchandise Jobbing, Etc.	\$200,686	\$264,267	\$63,582	-\$200,686
4330-Costs and Expenses of Merchandising Jobbing, Etc.	-\$171,729	-\$226,203	\$54,475	\$171,729
4375-Revenues from Non-Utility Operations	\$2,413	\$24,528	\$26,941	1116.50%
4405-Interest and Dividend Income	\$12,575	\$832	\$11,743	93.38%

**2020 Actual compared to 2021 Actual.**

- **4235-Miscellaneous Service Revenues:**

Explanation. The major change in this category was the refund of a deductible received in 2020. Additionally, there was a reduction of \$320 in reconnection revenues, an increase of \$1,720 in change of occupancy revenues, and an increase of \$1,444 in NSF cheque revenues.

- **4325-Revenues from Merchandise Jobbing, Etc.**

Explanation. Revenues included \$35,100 from temporary service for the construction of the UCPR building, \$25,300 from a 3-phase transformer for the Days Inn, \$2,200 for performing amp recording on a 12-week basis for McDonald's, and \$660 for isolating a 44KV line for a customer's substation.

- **4330-Costs and Expenses of Merchandising Jobbing, Etc.**

Explanation. Costs were incurred for temporary service for the UCPR building construction, \$28,300 for a 3-phase transformer for the Days Inn, and \$2,200 for amp recording for McDonald's.

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

Explanation. This category saw residual revenues from CDM (Conservation and Demand Management) activities.

- **4405-Interest and Dividend Income**

Explanation. Income fluctuated due to changes in interest rates.

**Table 13 - Variance Analysis of Other Operating Revenues 2021 – 2022**

Reporting Basis			Var Analysis	Var Analysis
	2021	2022	\$	%
<b>USoA Description</b>				
4325-Revenues from Merchandise Jobbing, Etc.	\$264,267	\$114,376	\$149,892	56.72%
4330-Costs and Expenses of Merchandising Jobbing, Etc.	-226,203	-\$96,692	-\$129,511	57.25%
4375-Revenues from Non-Utility Operations	-\$24,528	\$0	\$24,528	100.00%
4405-Interest and Dividend Income	\$832	\$39,098	-\$38,266	4598.74%

**2021 Actual compared to 2022 Actual**

- **4325-Revenues from Merchandise Jobbing, Etc.:**

Explanation: This category saw a significant decrease from UCPR, generating \$150,000. As less costs were incurred resulting in less revenues for HHI.

- **4330-Costs and Expenses of Merchandising Jobbing, Etc.**

Explanation. Costs included expenses related to the UCPR project and the replacement of a transformer at the Quality Inn hotel, which was sourced from HHI's own yard due to long lead times for a new unit. The cost of this transformer was not initially accounted for, but will be properly recorded and expensed in 2023 under account 1850.

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

Explanation. Revenues from non-utility operations were impacted by the cessation of CDM activities.

- **4405-Interest and Dividend Income**

- Explanation. Income from interest and dividends fluctuated due to changes in interest rates.

## 6.6.2 Proposed Specific Service Charges

**Table 14 – Proposed Specific Service Charge (2023 Tariff Sheet)**

### **SPECIFIC SERVICE CHARGES**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

#### **Customer Administration**

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	20.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	40.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

#### **Non-payment of account**

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	30.00
Reconnection at meter - after regular hours	\$	165.00
Reconnection at pole - during regular hours	\$	100.00
Reconnection at pole - after regular hours	\$	300.00

#### **Other**

Service call - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments) - Approved on an Interim Basis	\$	36.05

HHI is not proposing any changes or new charges to the current Specific Service Charges approved by the OEB in previous applications.

HHI confirms that the inflation rate of 3.3% is embedded in its' "Other Operating Revenue" projections for the Bridge and Test Year 2024.

The applicant confirms that it has reconciled amounts between Specific Service Charges and Other Revenues.

### **Wireline Pole Attachment Charges**

HHI confirms that it has used Decision and Order EB-2021-0304 which states that *effective January 1, 2022, the wireline pole attachment charge will be \$44.50 per attacher, per year, per pole* to determine its 2025 budgets in account 4210 which is used to record revenues from Wireline Pole Attachment Charges from Rogers, Bell and Hydro One.

### **MicroFIT Monthly Service Charge**

HHI is proposing no change to the MicroFIT Monthly Service Charge of \$10.00 as was approved in the LDC's 2018 Cost of Service rate application (EB-2012-0168).

HHI has analyzed its MicroFit related costs vs its revenues and HHI is not proposing to change its MicroFit charges recorded in account 4235..

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

HHI has no affiliates and as such, does not have any affiliate transactions, shared services, and corporate cost allocation that will be affecting its 2025 rates.

HHI is not aware of any discrete customer groups that may be materially impacted by changes to other rates and charges.

## 6.7 REVENUE DEFICIENCY OR SURPLUS

### 6.7.1 Calculation of Revenue Deficiency or Sufficiency

HHI is in a deficiency position of \$378,893. Sufficiency is calculated as the difference between the 2025 Test Year Revenue Requirement and the Forecast Test Year Revenue Requirement at the applicant's 2023 approved distribution rates.

Revenue Deficiency = (current rates @ 2025 load forecast + revenue offsets) – (proposed rates @ 2025 load forecast + revenue offsets)

Table 15 – Revenues at current rates and 2025 load forecast and Table 16 - Revenues at proposed rates and 2024 load forecast shows the details of the derivation of the two comparators.

**Table 15 – Revenues at current rates and 2025 load forecast**

<u>2023 Rates at 2024 Load</u>								
Test Year Projected Revenue from Existing Variable Charges								
Customer Class Name	Variable Distribution Rate	per	Test Year Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance \$'s	Net Variable Revenue
Residential	\$0.0000	kWh	50,447,580	\$0			\$0.00	\$0.00
General Service < 50 kW	\$0.0078	kWh	18,034,273	\$140,667			\$0.00	\$140,667.33
General Service > 50 to 4999 kW	\$2.3315	kW	186,745	\$435,395	-0.60	186,745	-\$112,047.00	\$323,348.16
Unmetered Scattered Load	\$0.0047	kWh	421,393	\$1,981			\$0.00	\$1,980.55
Sentinel	\$4.3209	kW	855	\$3,694			\$0.00	\$3,694.44
Street Lighting	\$7.1000	kW	1,445	\$10,258			\$0.00	\$10,257.78
Total Variable Revenue			<b>69,092,290</b>	<b>\$591,995</b>		186745	-\$112,047.00	\$479,948.25
<u>2023 Rates at 2024 Load</u>								
Test Year Projected Revenue from Existing Fixed Charges								
Customer Class Name	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$19.4100	4,938	\$1,150,099	\$0	\$1,150,099	100.00%		61.12%
General Service < 50 kW	\$17.1500	607	\$124,979	\$140,667	\$265,647	47.05%	52.95%	14.12%
General Service > 50 to 4999 kW	\$112.0000	85	\$114,198	\$323,348	\$437,546	26.10%	73.90%	23.25%
Unmetered Scattered Load	\$7.8900	17	\$1,605	\$1,981	\$3,585	44.76%	55.24%	0.19%
Sentinel	\$1.8400	41	\$895	\$3,694	\$4,589	19.50%	80.50%	0.24%
Street Lighting	\$0.6500	1,269	\$9,895	\$10,258	\$20,153	49.10%	50.90%	1.07%
Total Fixed Revenue		<b>6,956</b>	<b>\$1,401,671</b>	<b>\$479,948</b>	<b>\$1,881,620</b>			

**Table 16 - Revenues at proposed rates and 2024 load forecast**

Test Year Projected Revenue from Proposed Variable Charges								
Customer Class Name	Variable Distribution Rate	per	Test Year Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance \$'s	Net Variable Revenue
Residential	\$0.0000	kWh	50,447,580	\$0			\$0.00	\$0
General Service < 50 kW	\$0.0092	kWh	18,034,273	\$165,915			\$0.00	\$165,915
General Service > 50 to 4999 kW	\$2.1596	kW	186,745	\$403,294	-0.60	186,745	-\$112,047.00	\$291,247
Unmetered Scattered Load	\$0.0056	kW	421,393	\$2,360			\$0.00	\$2,360
Sentinel	\$2.1540	kWh	855	\$1,842			\$0.00	\$1,842
Street Lighting	\$8.3954	kW	1,445	\$12,129			\$0.00	\$12,129
<b>Total Variable Revenue</b>			<b>69,092,290</b>	<b>\$585,540</b>		186745	-\$112,047.00	\$473,493
<b>2025 Rates at 2025 Load</b>								
Test Year Projected Revenue from Proposed Fixed Charges								
Customer Class Name	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$23.00	4,938	\$1,362,729	\$0	\$1,362,729	84.40%		61.12%
General Service < 50 kW	\$20.28	607	\$147,816	\$165,915	\$313,732	39.84%	52.95%	14.12%
General Service > 50 to 4999 kW	\$112.00	85	\$114,198	\$291,247	\$405,445	28.17%	73.90%	23.25%
Unmetered Scattered Load	\$9.33	17	\$1,897	\$2,360	\$4,256	37.70%	55.24%	0.19%
Sentinel	\$0.92	41	\$446	\$1,842	\$2,288	39.12%	80.50%	0.24%
Street Lighting	\$0.77	1,269	\$11,700	\$12,129	\$23,830	41.52%	50.90%	1.07%
<b>Total Fixed Revenue</b>		<b>6,956</b>	<b>\$1,638,786</b>	<b>\$473,493</b>	<b>-\$2,224,767</b>			

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

**Table 17 - Revenue Deficiency (RRWF)**

Particulars	Initial Application	
	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		\$378,893
Distribution Revenue	\$1,881,620	\$1,845,874
Other Operating Revenue Offsets - net	\$243,992	\$243,992
<b>Total Revenue</b>	<b>\$2,125,612</b>	<b>\$2,468,759</b>
Operating Expenses	\$1,975,173	\$1,975,173
Deemed Interest Expense	\$183,665	\$183,665
<b>Total Cost and Expenses</b>	<b>\$2,158,837</b>	<b>\$2,158,837</b>
<b>Utility Income Before Income Taxes</b>	<b>(\$33,226)</b>	<b>\$309,922</b>
Tax Adjustments to Accounting Income per 2013 PILs model	(\$224,028)	(\$224,028)
<b>Taxable Income</b>	<b>(\$257,254)</b>	<b>\$85,894</b>
Income Tax Rate	12.20%	12.20%
<b>Income Tax on Taxable Income</b>	<b>\$ -</b>	<b>\$10,479</b>
<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Utility Net Income</b>	<b>(\$33,226)</b>	<b>\$299,443</b>
<b>Utility Rate Base</b>	<b>\$8,128,199</b>	<b>\$8,128,199</b>
Deemed Equity Portion of Rate Base	\$3,251,279	\$3,251,279
Income/(Equity Portion of Rate Base)	-1.02%	9.21%
Target Return - Equity on Rate Base	9.21%	9.21%
Deficiency/Sufficiency in Return on Equity	-10.23%	0.00%
Indicated Rate of Return	1.85%	5.94%
Requested Rate of Return on Rate Base	5.94%	5.94%
Deficiency/Sufficiency in Rate of Return	-4.09%	0.00%
Target Return on Equity	\$299,443	\$299,443
Revenue Deficiency/(Sufficiency)	\$332,668	\$ -
<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$378,893</b>	<b>(1)</b>



## 6.7.2 Causes of Revenue Surplus

HHI's existing rates are based on the Board-approved rates in 2018 as an outcome of a cost-of-service rate application and subsequent annual adjustments to its' base distribution rates in years 2018 to 2023 under the Board's Annual Incentive Regulation mechanism.

As illustrated in the previous section, the revenue sufficiency is determined to be \$378,893.

The surplus is in line with the applicant's directives from its Board of directors to reduce rates while maintaining the integrity of its service to customers, distribution system, safety, and reliability.

HHI notes that although the utility is in a sufficient position, its revenue requirement has increased from its last Cost of Service. The major contributors of the increase in revenue requirement from 2018 Board Approved to Test Year (2025) are presented in the following table with explanations following.

**Table 18 – Change in Revenue Requirement**

Particular	2018	2025	Diff
<b>Long Term Debt</b>	3.33%	3.59%	0.26%
<b>Short Term Debt</b>	2.29%	6.23%	3.94%
<b>Return on Equity</b>	9.00%	9.21%	0.21%
<b>Weighted Debt Rate</b>	3.26%	3.77%	0.51%
<b>Regulated Rate of Return</b>	<b>5.56%</b>	<b>5.94%</b>	<b>0.39%</b>
<b>Controllable Expenses</b>	\$1,192,882	\$1,686,034	\$493,152
<b>Power Supply Expense</b>	\$18,554,822	\$16,892,567	-\$1,662,255
<b>Total Eligible Distribution Expenses</b>	\$19,747,704	\$18,578,602	-\$1,169,103
<b>Working Capital Allowance Rate</b>	7.50%	7.50%	0.00%
<b>Total Working Capital Allowance ("WCA")</b>	<b>\$1,481,078</b>	<b>\$1,393,395</b>	<b>-\$87,683</b>
<b>Avg Gross Assets</b>	\$7,973,514	\$9,571,346	\$1,597,832
<b>Avg Acc Depr</b>	\$923,622	\$2,836,543	\$1,912,920
<b>Average Fixed Asset</b>	\$7,049,892	\$6,734,804	\$3,510,752
<b>Working Capital Allowance</b>	\$1,481,078	\$1,393,395	-\$87,683
<b>Rate Base</b>	<b>\$8,530,970</b>	<b>\$8,128,199</b>	<b>-\$402,771</b>
<b>Regulated Rate of Return</b>	5.56%	5.94%	0.39%
<b>Regulated Return on Capital</b>	<b>\$473,868</b>	<b>\$483,108</b>	<b>\$9,239</b>
<b>Deemed Interest Expense</b>	\$166,848	\$183,665	\$16,816
<b>Deemed Return on Equity</b>	\$307,020	\$299,443	-\$7,577
<b>OM&amp;A</b>	\$1,175,114	\$1,658,229	\$483,115
<b>Depreciation Expense</b>	\$281,068	\$289,138	\$8,070
<b>PILs</b>	\$10,538	\$10,479	-\$59
<b>Property Taxes</b>	\$17,768	\$27,805	\$10,037
<b>Revenue Offset</b>	-\$214,216	-\$243,992	-\$29,776
<b>Revenue Requirement</b>	<b>\$1,744,141</b>	<b>\$2,224,767</b>	<b>\$480,626</b>

The table above shows that the Rate Base of \$8,128,199 in 2025 is lower than the 2018 Board-approved amount of \$8,530,970 by \$402,771.

The factors contributing to the change in the rate base are discussed in detail at Exhibit 2 and summarized as;

- a) Investments in the distribution system to follow the Distribution System Plan.
- b) Accommodate growth in the residential and commercial sector over the past 10 years
- c) Continue with the pole and transformer replacement plan.

The Working Capital Allowance was increased by \$138,032 due to the increase of OM&A and power supply expense.

Increased Operations, Maintenance, and Administration (OM&A) expenses are another driver of the revenue deficiency. Projected OM&A for the Test Year 2025 is \$483,115 higher than the 2018 Board-approved amount. HHI's OM&A actual costs have seen a compound annual growth rate of all years of 4.40% (from 2018 Actuals to 2025 Test Year), which is above the annual inflation rates but is necessary for the utility to be able to provide service to its growing distribution area and related system.

The cost drivers underlying HHIs increase are explained in Exhibit 4.

All customers' rates will be affected. However, HHI does not have any discrete customer groups that may be materially impacted by changes to other rates and charges.

**APPENDICES**

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EXHIBIT 6 – REVENUE REQUIREMENT,  
SUFFICIENCY/DEFICIENCY

2024 Cost of Service

Hawkesbury Hydro Inc.  
EB-2024-0031

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## 6.1 PROPOSED REVENUE REQUIREMENT

The 2025 Test Year Base Revenue Requirement represents the amount of revenue the utility must collect from its customers to cover its day-to-day operating costs, taxes, interest paid on debts owed to investors (in HHI's case, cooperative members), and a deemed return (profit).

HHI's 2025 revenue requirement is calculated to be \$2,224,767.

Table 1 - Test Year Revenue Requirement (RRWF Model) below originates from the OEB's Revenue Requirement Workform. It presents HHI's proposed 2025 Test Year Revenue Requirement as calculated in the OEB's Revenue Requirement Work:

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

Particulars	Application
OM&A Expenses	\$1,658,229
Amortization/Depreciation	\$289,138
Property Taxes	\$27,805
Income Taxes (Grossed up)	\$10,479
Other Expenses	\$ -
Return	
Deemed Interest Expense	\$183,665
Return on Deemed Equity	\$299,443
<b>Service Revenue Requirement (before Revenues)</b>	<u>\$2,468,759</u>
Revenue Offsets	<u>\$243,992</u>
<b>Base Revenue Requirement</b>	<u>\$2,224,767</u>
<b>(excluding Transformer Ownership Allowance credit adjustment)</b>	
Distribution revenue	\$2,224,767
Other revenue	<u>\$243,992</u>
<b>Total revenue</b>	<u>\$2,468,759</u>

HHI confirms that the OEB's 2025 Revenue Requirement Workform (RRWF) accurately reflects its' proposed rates for the 2025 Test Year, and therefore there is no requirement for the applicant to file its rate generator model.

The proposed revenue requirement proposes to yield a net income of \$299,108. The derivation of the income is shown at Table 2 – Utility Income (RRWF Model).

**Table 2 – Utility Income (RRWF Model)**

Particulars	Initial Application
<b><u>Operating Revenues:</u></b>	
Distribution Revenue (at Proposed Rates)	\$2,224,767
Other Revenue (1)	\$243,992
Total Operating Revenues	<u>\$2,468,759</u>
<b><u>Operating Expenses:</u></b>	
OM+A Expenses	\$1,658,229
Depreciation/Amortization	\$289,138
Property taxes	\$27,805
Capital taxes	\$ -
Other expense	\$ -
Subtotal (lines 4 to 8)	\$1,975,173
Deemed Interest Expense	<u>\$183,665</u>
Total Expenses (lines 9 to 10)	<u>\$2,158,837</u>
<b>Utility income before income taxes</b>	<u><u>\$309,922</u></u>
Income taxes (grossed-up)	<u>\$10,479</u>
<b>Utility net income</b>	<u><u>\$299,443</u></u>

**Error! Not a valid bookmark self-reference.** shows the reconciliation between the return on deemed equity included in the revenue requirement.

**Table 3 – Statement of Rate Base (RRWF Model)**

Particulars	Capitalization Ratio		Cost Rate	Return
	<b>Initial Application</b>			
	(%)	(\$)	(%)	(\$)
<b>Debt</b>		\$4,551,791	3.59%	\$163,409
Long-term Debt	56.00%	\$325,128	6.23%	\$20,255
Short-term Debt	4.00%	\$4,876,919	3.77%	\$183,665
<b>Total Debt</b>	60.00%			
<b>Equity</b>		\$3,251,279	9.21%	\$299,443
Common Equity	40.00%	\$ -	0.00%	\$ -
Preferred Shares	0.00%	\$3,251,279	9.21%	\$299,443
<b>Total Equity</b>	40.00%			
<b>Total</b>		\$8,128,199	5.94%	\$483,108



## 6.1.1 Trend Analysis and Change from 2018 Cost of Service

Table 4 – Movement in Revenue Requirement from last COS (2018) below shows the movement from HHI's 2018 board-approved revenue requirement to the 2025 proposed revenue requirement, along with a high-level explanation of the changes from the 2018 Board Approved Cost of Service. A more in-depth description of the changes is presented in each component's respective Exhibits.

**Table 4 – Movement in Revenue Requirement from last COS (2018)**

Rate Year and Particulars	Rev. Req.	Change from 2018	High-level explanation	Reference
<b>2018 Board Approved Revenue Requirement</b>	<b>\$1,744,141</b>			
Operation Maintenance Admin Costs	\$483,114.99	Increase in Operating expenses to reflect increases in operational demands to accommodate growth, changes in regulation and inflationary costs	Operation Maintenance Admin Costs	Exhibit 4
Depreciation Expense	\$8,070.04	Increase in Depreciation relative to the increase in capital assets	Depreciation Expense	Exhibit 2
<i>Net Fixed Assets</i>	<i>\$3,510,752.08</i>	Increase in Average Net Fixed Assets	<i>Net Fixed Assets</i>	
<i>Working Capital Allowance</i>	<i>-\$87,682.70</i>	Reduction in WCA because of lower Cost of Power	<i>Working Capital Allowance</i>	Exhibit 2
<b>Rate Base</b>	<b>-\$402,771.30</b>	<b>Movement in Rate (Asset) Base</b>	<b>Rate Base</b>	
Return on Capital	\$9,239.32	Increase in Return on Capital	Return on Capital	Exhibit 5
PILs	-\$58.95	Increase in PILs due to increase in Assets	PILs	Exhibit 6
Property Tax	\$10,037			
Other Revenues	-\$29,775.94	Reduction in Other Revenues	Other Revenues	Exhibit 6
<b>Increase in Revenue Requirement</b>	<b>\$480,626.47</b>			
2025 Revenue Requirement	<b>\$2,224,767.27</b>			



**Table 6 - Variance Analysis of Revenue Requirement**

									Test Year	Variance over last CoS
Particular	Last Board Approved	2018	2019	2020	2021	2022	2023	2024	2025	
OM&A Expenses	1,175,114	1,150,244	1,092,802	1,127,442	1,257,384	1,263,449	1,555,746	1,567,658	1,658,229	
YoY change (\$)		-24,871	-57,441	34,639	129,942	6,065	292,297	11,913	90,571	483,115
YoY change (%)		-2.12%	-4.99%	3.17%	11.53%	0.48%	23.13%	0.77%	5.78%	41.11%
Depreciation Expense	281,068.13	270,962.15	268,253.12	268,209.92	272,289.13	277,095.36	271,899.61	278,098.80	289,138.17	
YoY change (\$)		-10,105.98	-2,709.03	-43.20	4,079.21	4,806.23	-5,195.75	6,199.19	11,039.37	8,070
YoY change (%)		-3.60%	-1.00%	-0.02%	1.52%	1.77%	-1.88%	2.28%	3.97%	2.87%
Property Taxes	17,768.00	19,900.35	22,727.73	25,334.80	25,696.54	26,087.61	26,963.48	27,315.00	27,805.00	
YoY change (\$)		2,132.35	2,827.38	2,607.07	361.74	391.07	875.87	351.52	490.00	10,037
YoY change (%)		12.00%	14.21%	11.47%	1.43%	1.52%	3.36%	1.30%		56.49%
Total Distribution Expenses	1,473,950.50	1,441,106.04	1,383,783.15	1,420,986.25	1,555,369.69	1,566,632.02	1,854,608.74	1,873,072.10	1,975,172.54	
YoY change (\$)		-32,844.46	-57,322.89	37,203.10	134,383.44	11,262.33	287,976.72	18,463.36	102,100.44	501,222
YoY change (%)		-2.23%	-3.98%	2.69%	9.46%	0.72%	18.38%	1.00%	5.45%	34.01%
Regulated Return On Capital	473,868.00	502,584.96	492,278.66	490,978.74	480,388.92	480,388.92	477,500.77	477,500.77	483,107.61	
YoY change (\$)		28,716.96	-10,306.30	-1,299.92	-10,589.82	0.00	-2,888.15	0.00	5,606.84	9,240
YoY change (%)		6.06%	-2.05%	-0.26%	-2.16%	0.00%	-0.60%	0.00%	1.17%	1.95%
Grossed up PILs	10,538.00	-215,927.00	219,284.00	-71,950.00	42,339.00	118,884.00	0.00	0.00	10,479.05	
YoY change (\$)		-226,465.00	435,211.00	-291,234.00	114,289.00	76,545.00	-118,884.00	0.00	10,479.05	-59
YoY change (%)		-2149.03%	-201.55%	-132.81%	-158.85%	180.79%	-100.00%			-0.56%
<b>Service Revenue Requirement</b>	<b>1,958,356.50</b>	<b>1,727,764.00</b>	<b>2,095,345.81</b>	<b>1,840,014.99</b>	<b>2,078,097.61</b>	<b>2,165,904.94</b>	<b>2,332,109.51</b>	<b>2,350,572.87</b>	<b>2,468,759.21</b>	
YoY change (\$)		-230,592.50	367,581.81	-255,330.82	238,082.62	87,807.33	166,204.57	18,463.36	118,186.33	510,403
YoY change (%)		-11.77%	21.28%	-12.19%	12.94%	4.23%	7.67%	0.79%	5.03%	26.06%
Less: Revenue Offsets	-214,216.00	-246,083.23	-99,364.76	-144,022.64	-100,719.91	-154,182.21	-221,307.88	-232,373.27	-243,991.94	
YoY change (\$)		-31,867.23	146,718.47	-44,657.88	43,302.73	-53,462.30	-67,125.67	-11,065.39	-11,618.66	-29,776
YoY change (%)		14.88%	-59.62%	44.94%	-30.07%	53.08%	43.54%	5.00%	5.00%	13.90%
<b>Base Revenue Requirement</b>	<b>1,744,140.50</b>	<b>1,481,680.77</b>	<b>1,995,981.05</b>	<b>1,695,992.35</b>	<b>1,977,377.70</b>	<b>2,011,722.73</b>	<b>2,110,801.63</b>	<b>2,118,199.60</b>	<b>2,224,767.27</b>	
YoY change (\$)		-262,459.73	514,300.28	-299,988.70	281,385.35	34,345.03	99,078.90	7,397.97	106,567.67	480,627
YoY change (%)		-15.05%	34.71%	-15.03%	16.59%	1.74%	4.93%	0.35%	5.03%	27.56%

As illustrated in the above tables, the proposed revenue requirement for the Test Year (2025) is 28% higher than the 2018 Cost of Service Approved Revenue Requirement. HHIs represents a 3.20% annual compound growth rate in revenue requirement between the 2018 Cost of Service Approved Revenue Requirement and the proposed 2025 Cost of Service Revenue Requirement.

## **6.2. OPERATION, MAINTENANCE & ADMINISTRATION COSTS (REF: EXHIBIT 4)**

The OM&A variance between 2018 to 2025, which increased by \$483,115 is summarized below, and details are presented throughout Exhibit 4.

HHI encountered substantial cost increases in all groupings from 2018 to 2025. The ongoing maintenance of substations, the effects of severe weather events such as the Derecho storm, and the increasing importance of vegetation management all contributed to a significant increase in operations and maintenance expenses.

The staffing challenges during the pandemic, increased reliance on ERTH Holdings for billing services during staffing issues and increased bad debt expenses all contributed to a significant increase in billing and collecting costs.

Salaries adjustments, third-party service costs, regulatory compliance, and the implementation of new systems all contributed to an increase in administrative and general expenses. In 2018, the total OM&A expenses were \$1,175,114. By 2025, they are expected to be \$1,658,229. This increase also includes inflation, some of which are higher than the PriceCap inflation.

## **6.3 DEPRECIATION EXPENSES (REF: EXHIBIT 2)**

The depreciation expense has increased by \$8,070 or 2.87%. Details of historical capital expenses and their related depreciation expenses are summarized below and are presented in detail in Exhibit 2.

## **6.4 RETURN ON CAPITAL (REF: EXHIBIT 5)**

The regulated return on capital, summarized below, which increased by \$9,239, is explained in Exhibit 5.

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

HHI has used the OEB PILs Tax Work Form model to calculate the amount of taxes for inclusion in its 2025 rates. PILs have been computed under MIFRS accounting policies. HHI's external auditor BDO completed the PILS model to ensure that the current and proposed tax rates have been applied, that the amount of PILS calculated appears reasonable, and that the integrity checks established in the Boards Minimum Filing Requirements have been adhered to.

HHI is required to calculate payment in lieu of income taxes ("PILs") based on its taxable income for the Test Year of 2025.

HHI notes that it does not pay property taxes as its office space is leased. Property Taxes on the distribution system are recorded in OM&A.

HHI files Federal/Provincial tax returns annually.

There have been no exceptional circumstances that would require specific tax planning measures to minimize taxes payable. There are no outstanding audits, reassessments, or disputes relating to the tax returns filed by HHI.

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

HHI's PILs are projected to be in the amount of \$10,479.

The income tax sheet from the OEB's Revenue Requirement Work form is presented in Table 7 - Tax Provision for the Test Year (OEB PILs Model) below, and the PILs model is being filed in conjunction with HHIs application. The most recent federal and provincial tax returns are presented in Attachment 1 of HHIs Exhibit.

**Table 7 - Tax Provision for the Test Year (OEB PILs Model)**

<u>Particulars</u>	<u>Application</u>
<b><u>Determination of Taxable Income</u></b>	
Utility net income before taxes	\$299,443
Adjustments required to arrive at taxable utility income	(\$224,028)
Taxable income	<u>\$75,415</u>
<b><u>Calculation of Utility income Taxes</u></b>	
Income taxes	\$9,201
Total taxes	<u>\$9,201</u>
Gross-up of Income Taxes	<u>\$1,278</u>
Grossed-up Income Taxes	<u>\$10,479</u>
PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$10,479</u>
Other tax Credits	\$ -
<b><u>Tax Rates</u></b>	
Federal tax (%)	9.00%
Provincial tax (%)	<u>3.20%</u>
Total tax rate (%)	<u>12.20%</u>

HHI is not claiming Apprenticeship Training Tax Credits.

HHI confirms that it uses the stand-alone principle when determining PILs amounts.

- ✓ HHI has exercised sound tax planning, and that for rate-setting purposes, it maximized tax credits and took the maximum deductions allowed if it made sense for the utility to do so.
- ✓ A copy of the most current Federal and Provincial taxes is presented in Attachment 1 of HHIs Exhibit.
- ✓ Detailed calculations of Income Tax or PILs are shown in the OEB PILs model filed along with HHIs application.
- ✓ There were no adjustments (e.g., Tax credits, CCA adjustments) for the Historical, Bridge, and Test Years, and as such, no supporting schedules and calculations and explanations for "other additions" and "other deductions" were required.

### 6.5.1 Non- Recoverable and Disallowed Expenses

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

### 6.5.2 Accelerated CCA

HHI, has complied with the Accelerated Investment Incentive program, which provides for the first-year increase in CCA deductions on eligible capital assets acquired after November 20, 2018.

HHI confirms that it has recorded the impact of the CCA rules changes in Account 1592 - PILs and Tax Variances – CCA Changes for November 21, 2018, up to 2025 Test Year. The worksheet showing the calculations of the entire revenue requirement impact is filed along with HHIs application. The DVA model shows the full revenue requirement impact recorded in Account 1592.

HHI acknowledges the OEB's practice with respect to the impact of changes in taxes due to regulatory or legislated tax changes during an incentive rate-setting period has been to share the impacts between distributor shareholders and ratepayers on a 50/50 basis. HHI is proposing to dispose of 100%.

HHI also understands that HHIs practice may not apply concerning CCA rules; therefore, the utility proposes to dispose of its balances in the same manner as it disposes of its other deferral and variance accounts through the DVA rate rider mechanism.

HHI is not proposing to smooth the impact of the CCA rules changes and disposition over the IRM period. The utility is proposing not to continue using Account 1592 going forward unless there are new changes to the CCA rules.

### 6.5.3 PILs Integrity Check

HHI and its external auditors, BDO, confirm to the best of their knowledge that the following integrity checks have been completed in its application. In completing the PILs model, BDO 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 31<sup>st</sup> historic year UCC that agrees with the opening bridge year UCC at January 1;
- ✓ 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 carry-forwards; and
- ✓ A statement is included in the application as to when the losses, if any, will be fully utilized.

### 6.6 OTHER REVENUE

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

Other Distribution Revenues includes items such as:

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

A detailed breakdown of the related USoA account is shown in Table 8 – OEB Appendix 2-H on the next page.

Year-over-year variance analysis over the materiality threshold of \$10,000 follows at Section 6.6 - Other Revenue Variance Analysis.

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**Table 8 – OEB Appendix 2-H**

Reporting Basis	2018	2018	2019	2020	2021	2022	2022	2023	2024	2025
<b>USoA Description</b>	<b>Board Approved</b>									
4235	<b>4235-Miscellaneous Service Revenues</b>	-\$65,270	-\$80,771	-\$49,034	-\$63,277	-\$41,143	-\$44,598	-\$43,582	-\$45,761	-\$48,049
4225	<b>4225-Late Payment Charges</b>	-\$29,740	-\$22,901	-\$26,692	-\$30,972	-\$28,227	-\$29,855	-\$27,816	-\$29,206	-\$30,667
4082	4082-Retail Services Revenues	-\$6,381	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4084	4084-Service Transaction Requests (STR) Revenues	-\$111	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4210	4210-Rent from Electric Property	-\$24,285	-\$44,903	-\$17,388	-\$14,180	-\$17,434	-\$25,439	-\$23,534	-\$24,711	-\$25,946
4325	4325-Revenues from Merchandise Jobbing, Etc.	-\$26,331	-\$58,354	-\$43,644	-\$200,686	-\$264,267	-\$114,376	-\$141,246	-\$148,308	-\$155,723
4330	4330-Costs and Expenses of Merchandising Jobbing, Etc.	\$21,663	\$36,237	\$35,459	\$171,729	\$226,203	\$96,692	\$116,788	\$122,627	\$128,758
4355	4355-Gain on Disposition of Utility and Other Property	-\$6,000	-\$46,234	\$3,983	\$487	\$0	\$0	\$0	\$0	\$0
4360	4360-Loss on Disposition of Utility and Other Property	\$0	\$7,416	\$0	\$0	\$0	\$3,003	\$7,049	\$7,401	\$7,771
4375	4375-Revenues from Non-Utility Operations	-\$294,781	-\$223,375	-\$103,553	-\$2,413	\$24,528	\$0	\$0	\$0	\$0
4380	4380-Expenses of Non-Utility Operations	\$223,667	\$219,271	\$142,015	\$7,865	\$453	\$0	\$0	\$0	\$0
4390	4390-Miscellaneous Non-Operating Income	\$0	-\$97	-\$44	\$0	\$0	-\$512	\$0	\$0	\$0
4405	4405-Interest and Dividend Income	-\$6,647	-\$32,373	-\$40,467	-\$12,575	-\$832	-\$39,098	-\$108,967	-\$114,415	-\$120,136
	Total	-\$214,216	-\$246,083	-\$99,365	-\$144,023	-\$100,720	-\$154,182	-\$221,308	-\$232,373	-\$232,373
	<b>Specific Service Charges</b>	-\$65,270	-\$80,771	-\$49,034	-\$63,277	-\$41,143	-\$44,598	-\$43,582	-\$45,761	-\$48,049
	<b>Late Payment Charges</b>	-\$29,740	-\$22,901	-\$26,692	-\$30,972	-\$28,227	-\$29,855	-\$27,816	-\$29,206	-\$30,667
	<b>Other Distribution/Operating Revenues</b>	-\$30,777	-\$44,903	-\$17,388	-\$14,180	-\$17,434	-\$25,439	-\$23,534	-\$24,711	-\$25,946
	<b>Other Income or Deductions</b>	-\$88,429	-\$97,508	-\$6,251	-\$35,593	-\$13,916	-\$54,291	-\$126,376	-\$132,695	-\$139,330
	<b>Total</b>	<b>-\$214,216</b>	<b>-\$246,083</b>	<b>-\$99,365</b>	<b>-\$144,023</b>	<b>-\$100,720</b>	<b>-\$154,182</b>	<b>-\$221,308</b>	<b>-\$232,373</b>	<b>-\$243,992</b>

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## 6.1.1 Other Revenues Variance Analysis

HHI offers the following explanations for variances over \$10,000 or less than -\$10,000. Noteworthy variances between are explained below.

Table 9 - Variance Analysis of Other Operating Revenues below present year-over-year variances of other operating revenues:

**Table 9 - Variance Analysis of Other Operating Revenues 2018BA – 2018**

<i>Reporting Basis</i>			<i>Var Analysis</i>	<i>Var Analysis</i>
	2018	2018	\$	%
<b>USoA Description</b>	<b>Board Approved</b>			
4235-Miscellaneous Service Revenues	\$65,270	\$80,771	\$15,501	23.75%
4210-Rent from Electric Property	\$24,285	\$44,903	\$20,618	84.90%
4325-Revenues from Merchandise Jobbing, etc.	\$26,331	\$58,354	\$32,023	121.62%
4330-Costs and Expenses of Merchandising Jobbing, etc.	\$21,663	\$36,237	\$14,574	67.28%
4355-Gain on Disposition of Utility and Other Property	\$6,000	\$46,234	\$40,234	670.57%
4375-Revenues from Non-Utility Operations	\$294,781	\$223,375	-\$71,406	-24.22%
4405-Interest and Dividend Income	\$6,647	\$32,373	\$25,726	387.03%

### 2018 Board Approved compared to 2018 Actual.

- **4235-Miscellaneous Service Revenues:**

Revenues increased due to several reasons. Sales of power equipment to our general contractor, following the retirement of our last lineman, generated an additional \$6,000. A rise in occupancy charge brought in \$650, while increased reconnection activities added \$4,800. Stricter penalties for NSF cheques resulted in an extra \$1,225. Additionally, the introduction of new services contributed \$2,660.

- **4210-Rent from Electric Property:**

Explanation. ExperTech was in town to add fiber for Bell Canada. They rented HHI space for their equipment and the upper level for their administration and project work, generating \$24,000 in revenue.

- **4325-Revenues from Merchandise Jobbing, Etc.**

Explanation. HHI generated additional revenue from unexpected jobs, including a circuit installation for la Caisse Populaire, which brought in \$15,670. Additionally,

HHI completed an unforeseen Bell pole replacement project, adding \$15,134 to our revenue.

- **4330-Costs and Expenses of Merchandising Jobbing, Etc.**

Explanation. This account covered the costs related to unexpected jobbing work, as detailed in account 4325.

- **4355-Gain on Disposition of Utility and Other Property**

Explanation. At year-end, MNP reclassified \$45,000 from revenue from jobbing to account for the sale of two trucks, as we no longer have a line crew.

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

Explanation. This account includes revenues generated from the Conservation and Demand Management (CDM) activities.

- **4405-Interest and Dividend Income**

Explanation. Regular interest income was higher than expected, as it was underestimated in the 2018 application.

**Table 10 - Variance Analysis of Other Operating Revenues 2018 – 2019**

<i>Reporting Basis</i>			<i>Var Analysis</i>	<i>Var Analysis</i>
<b>USoA Description</b>	<b>2018</b>	<b>2019</b>	<b>\$</b>	<b>%</b>
4235-Miscellaneous Service Revenues	\$80,771	\$49,034	-\$31,737	39.29%
4210-Rent from Electric Property	\$44,903	\$17,388	-\$27,515	61.28%
4325-Revenues from Merchandise Jobbing, Etc.	\$58,354	\$43,644	-\$14,710	25.21%
4355-Gain on Disposition of Utility and Other Property	\$46,234	\$3,983	-\$50,217	108.61%
4375-Revenues from Non-Utility Operations	\$223,375	\$103,553	-\$119,821	53.64%
4380-Expenses of Non-Utility Operations	-\$219,271	-\$142,015	\$77,256	35.23%

**2018 Actual compared to 2019 Actual.**

- **4235-Miscellaneous Service Revenues:**

Explanation. Miscellaneous service revenues included a sale of material amounting to \$6,000. Several revenue streams fell short of expectations: change of occupancy charges was \$3,000 less than anticipated, reconnection revenue was \$5,800 below projections, and collections charges were \$5,300 less than expected. Additionally, revenue from the Bell pole ownership transfer was \$1,460 lower than planned, the Service Ontario refund for truck licensing due to sold vehicles was \$530 less than expected, and new service revenue fell short by \$10,800.

- **4210-Rent from Electric Property:**

Explanation. ExperTech rental revenue decreased as they left our town in May 2019. Additionally, there was a year-end adjustment of \$21,000 in the pole rental variance account due to a change in the pole rental rate.

- **4325-Revenues from Merchandise Jobbing, Etc.**

Explanation. There was less jobbing work than expected.

- **4355-Gain on Disposition of Utility and Other Property**

Explanation. The gain on the sale of a truck in 2018 was a one-time occurrence and did not recur in 2019, resulting in a \$45,000 difference. (2018 settlement)

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

Explanation. Revenues from CDM activities were recorded. The IESO Conservation program provided \$223,374.54 in 2018 and \$103,553.27 in 2019.

- **4380--Expenses of Non-Utility Operations**

Explanation: All expenses were related to CDM activities.

**Table 11 - Variance Analysis of Other Operating Revenues 2019 – 2020**

Reporting Basis			Var Analysis	Var Analysis
	2019	2020	\$	%
<b>USoA Description</b>				
4235-Miscellaneous Service Revenues	\$49,034	\$63,277	\$14,243	29.05%
4325-Revenues from Merchandise Jobbing, Etc.	\$43,644	\$200,686	\$157,042	359.82%
4330-Costs and Expenses of Merchandising Jobbing, Etc.	-35,459	-\$171,729	-\$136,270	384.31%
4375-Revenues from Non-Utility Operations	\$103,553	\$2,413	\$101,140	97.67%
4380-Expenses of Non-Utility Operations	-\$142,015	-\$7,865	-\$134,150	94.46%
4405-Interest and Dividend Income	\$40,467	\$12,575	\$27,892	68.93%

**2019 Actual compared to 2020 Actual.**

○ **4235 - Miscellaneous Service Revenues:**

Revenue included a \$25,000 deductible received from a lawsuit claim following a successful case related to the failure of our Pioneer transformer. However, there were reductions in several areas: arrears certificates decreased by \$540, change of occupancy revenue fell by \$2,800, NSF cheque revenue was reduced by \$2,630, and collections charges were lower by \$3,675.

○ **4325 - Revenues from Merchandise Jobbing, Etc.:**

Significant revenue was generated from various projects, including \$117,735 from a major project at the OPP station, \$10,429 from service to a new garage at 792 Main Street, \$8,067 from Ecolomondo, \$7,238 for Prémoulé/Preform transformer service, \$5,900 from an accident involving a car hitting a pole on Hamilton Street, and \$7,000 from the disposal of a 55T1 transformer.

○ **4330 - Costs and Expenses of Merchandising Jobbing, Etc.:**

Costs and expenses increased proportionally with the rise in job activities and corresponding revenues.

○ **4375 - Revenues from Non-Utility Operations:**

Revenue was derived from residual activities related to CDM (Conservation and Demand Management).

○ **4380 - Expenses of Non-Utility Operations:**

Expenses were associated with residual CDM activities.

- **4405 - Interest and Dividend Income:**

Interest and dividend income was lower than anticipated due to lower-than-expected interest rates.

**Table 12 - Variance Analysis of Other Operating Revenues 2020 – 2021**

<i>Reporting Basis</i>			<i>Var Analysis</i>	<i>Var Analysis</i>
<b>USoA Description</b>	<b>2020</b>	<b>2021</b>	<b>\$</b>	<b>%</b>
4235-Miscellaneous Service Revenues	\$63,277	\$41,143	-\$22,135	34.98%
4325-Revenues from Merchandise Jobbing, Etc.	\$200,686	\$264,267	\$63,582	-\$200,686
4330-Costs and Expenses of Merchandising Jobbing, Etc.	-\$171,729	-\$226,203	\$54,475	\$171,729
4375-Revenues from Non-Utility Operations	\$2,413	\$24,528	\$26,941	1116.50%
4405-Interest and Dividend Income	\$12,575	\$832	\$11,743	93.38%

**2020 Actual compared to 2021 Actual.**

- **4235-Miscellaneous Service Revenues:**

Explanation. The major change in this category was the refund of a deductible received in 2020. Additionally, there was a reduction of \$320 in reconnection revenues, an increase of \$1,720 in change of occupancy revenues, and an increase of \$1,444 in NSF cheque revenues.

- **4325-Revenues from Merchandise Jobbing, Etc.**

Explanation. Revenues included \$35,100 from temporary service for the construction of the UCPR building, \$25,300 from a 3-phase transformer for the Days Inn, \$2,200 for performing amp recording on a 12-week basis for McDonald's, and \$660 for isolating a 44KV line for a customer's substation.

- **4330-Costs and Expenses of Merchandising Jobbing, Etc.**

Explanation. Costs were incurred for temporary service for the UCPR building construction, \$28,300 for a 3-phase transformer for the Days Inn, and \$2,200 for amp recording for McDonald's.

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

Explanation. This category saw residual revenues from CDM (Conservation and Demand Management) activities.

- **4405-Interest and Dividend Income**

Explanation. Income fluctuated due to changes in interest rates.

**Table 13 - Variance Analysis of Other Operating Revenues 2021 – 2022**

Reporting Basis			Var Analysis	Var Analysis
	2021	2022	\$	%
<b>USoA Description</b>				
4325-Revenues from Merchandise Jobbing, Etc.	\$264,267	\$114,376	\$149,892	56.72%
4330-Costs and Expenses of Merchandising Jobbing, Etc.	-226,203	-\$96,692	-\$129,511	57.25%
4375-Revenues from Non-Utility Operations	-\$24,528	\$0	\$24,528	100.00%
4405-Interest and Dividend Income	\$832	\$39,098	-\$38,266	4598.74%

**2021 Actual compared to 2022 Actual**

- **4325-Revenues from Merchandise Jobbing, Etc.:**

Explanation: This category saw a significant decrease from UCPR, generating \$150,000. As less costs were incurred resulting in less revenues for HHI.

- **4330-Costs and Expenses of Merchandising Jobbing, Etc.**

Explanation. Costs included expenses related to the UCPR project and the replacement of a transformer at the Quality Inn hotel, which was sourced from HHI's own yard due to long lead times for a new unit. The cost of this transformer was not initially accounted for, but will be properly recorded and expensed in 2023 under account 1850.

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

Explanation. Revenues from non-utility operations were impacted by the cessation of CDM activities.

- **4405-Interest and Dividend Income**

- Explanation. Income from interest and dividends fluctuated due to changes in interest rates.

## 6.6.2 Proposed Specific Service Charges

**Table 14 – Proposed Specific Service Charge (2023 Tariff Sheet)**

### **SPECIFIC SERVICE CHARGES**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Global Adjustment and the HST.

#### **Customer Administration**

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	20.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	40.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

#### **Non-payment of account**

Late payment - per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	30.00
Reconnection at meter - after regular hours	\$	165.00
Reconnection at pole - during regular hours	\$	100.00
Reconnection at pole - after regular hours	\$	300.00

#### **Other**

Service call - after regular hours	\$	165.00
Temporary service - install & remove - overhead - no transformer	\$	500.00
Temporary service - install & remove - overhead - with transformer	\$	1,000.00
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments) - Approved on an Interim Basis	\$	36.05

HHI is not proposing any changes or new charges to the current Specific Service Charges approved by the OEB in previous applications.

HHI confirms that the inflation rate of 3.3% is embedded in its' "Other Operating Revenue" projections for the Bridge and Test Year 2024.

The applicant confirms that it has reconciled amounts between Specific Service Charges and Other Revenues.

### **Wireline Pole Attachment Charges**

HHI confirms that it has used Decision and Order EB-2021-0304 which states that *effective January 1, 2022, the wireline pole attachment charge will be \$44.50 per attacher, per year, per pole* to determine its 2025 budgets in account 4210 which is used to record revenues from Wireline Pole Attachment Charges from Rogers, Bell and Hydro One.

### **MicroFIT Monthly Service Charge**

HHI is proposing no change to the MicroFIT Monthly Service Charge of \$10.00 as was approved in the LDC's 2018 Cost of Service rate application (EB-2012-0168).

HHI has analyzed its MicroFit related costs vs its revenues and HHI is not proposing to change its MicroFit charges recorded in account 4235..

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

HHI has no affiliates and as such, does not have any affiliate transactions, shared services, and corporate cost allocation that will be affecting its 2025 rates.

HHI is not aware of any discrete customer groups that may be materially impacted by changes to other rates and charges.



## 6.7 REVENUE DEFICIENCY OR SURPLUS

### 6.7.1 Calculation of Revenue Deficiency or Sufficiency

HHI is in a deficiency position of \$378,893. Sufficiency is calculated as the difference between the 2025 Test Year Revenue Requirement and the Forecast Test Year Revenue Requirement at the applicant's 2023 approved distribution rates.

Revenue Deficiency = (current rates @ 2025 load forecast + revenue offsets) – (proposed rates @ 2025 load forecast + revenue offsets)

Table 15 – Revenues at current rates and 2025 load forecast and Table 16 - Revenues at proposed rates and 2024 load forecast shows the details of the derivation of the two comparators.

**Table 15 – Revenues at current rates and 2025 load forecast**

<u>2023 Rates at 2024 Load</u>								
Test Year Projected Revenue from Existing Variable Charges								
Customer Class Name	Variable Distribution Rate	per	Test Year Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance \$'s	Net Variable Revenue
Residential	\$0.0000	kWh	50,447,580	\$0			\$0.00	\$0.00
General Service < 50 kW	\$0.0078	kWh	18,034,273	\$140,667			\$0.00	\$140,667.33
General Service > 50 to 4999 kW	\$2.3315	kW	186,745	\$435,395	-0.60	186,745	-\$112,047.00	\$323,348.16
Unmetered Scattered Load	\$0.0047	kWh	421,393	\$1,981			\$0.00	\$1,980.55
Sentinel	\$4.3209	kW	855	\$3,694			\$0.00	\$3,694.44
Street Lighting	\$7.1000	kW	1,445	\$10,258			\$0.00	\$10,257.78
Total Variable Revenue			<b>69,092,290</b>	<b>\$591,995</b>		186745	-\$112,047.00	\$479,948.25
<u>2023 Rates at 2024 Load</u>								
Test Year Projected Revenue from Existing Fixed Charges								
Customer Class Name	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$19.4100	4,938	\$1,150,099	\$0	\$1,150,099	100.00%		61.12%
General Service < 50 kW	\$17.1500	607	\$124,979	\$140,667	\$265,647	47.05%	52.95%	14.12%
General Service > 50 to 4999 kW	\$112.0000	85	\$114,198	\$323,348	\$437,546	26.10%	73.90%	23.25%
Unmetered Scattered Load	\$7.8900	17	\$1,605	\$1,981	\$3,585	44.76%	55.24%	0.19%
Sentinel	\$1.8400	41	\$895	\$3,694	\$4,589	19.50%	80.50%	0.24%
Street Lighting	\$0.6500	1,269	\$9,895	\$10,258	\$20,153	49.10%	50.90%	1.07%
Total Fixed Revenue		<b>6,956</b>	<b>\$1,401,671</b>	<b>\$479,948</b>	<b>\$1,881,620</b>			

**Table 16 - Revenues at proposed rates and 2024 load forecast**

Test Year Projected Revenue from Proposed Variable Charges								
Customer Class Name	Variable Distribution Rate	per	Test Year Volume	Gross Variable Revenue	Transform. Allowance Rate	Transform. Allowance kW's	Transform. Allowance \$'s	Net Variable Revenue
Residential	\$0.0000	kWh	50,447,580	\$0			\$0.00	\$0
General Service < 50 kW	\$0.0092	kWh	18,034,273	\$165,915			\$0.00	\$165,915
General Service > 50 to 4999 kW	\$2.1596	kW	186,745	\$403,294	-0.60	186,745	-\$112,047.00	\$291,247
Unmetered Scattered Load	\$0.0056	kW	421,393	\$2,360			\$0.00	\$2,360
Sentinel	\$2.1540	kWh	855	\$1,842			\$0.00	\$1,842
Street Lighting	\$8.3954	kW	1,445	\$12,129			\$0.00	\$12,129
<b>Total Variable Revenue</b>			<b>69,092,290</b>	<b>\$585,540</b>		186745	-\$112,047.00	\$473,493
<b>2025 Rates at 2025 Load</b>								
Test Year Projected Revenue from Proposed Fixed Charges								
Customer Class Name	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	% Variable Revenue	% Total Revenue
Residential	\$23.00	4,938	\$1,362,729	\$0	\$1,362,729	84.40%		61.12%
General Service < 50 kW	\$20.28	607	\$147,816	\$165,915	\$313,732	39.84%	52.95%	14.12%
General Service > 50 to 4999 kW	\$112.00	85	\$114,198	\$291,247	\$405,445	28.17%	73.90%	23.25%
Unmetered Scattered Load	\$9.33	17	\$1,897	\$2,360	\$4,256	37.70%	55.24%	0.19%
Sentinel	\$0.92	41	\$446	\$1,842	\$2,288	39.12%	80.50%	0.24%
Street Lighting	\$0.77	1,269	\$11,700	\$12,129	\$23,830	41.52%	50.90%	1.07%
<b>Total Fixed Revenue</b>		<b>6,956</b>	<b>\$1,638,786</b>	<b>\$473,493</b>	<b>-\$2,224,767</b>			

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

**Table 17 - Revenue Deficiency (RRWF)**

Particulars	Initial Application	
	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		\$378,893
Distribution Revenue	\$1,881,620	\$1,845,874
Other Operating Revenue Offsets - net	\$243,992	\$243,992
<b>Total Revenue</b>	<b>\$2,125,612</b>	<b>\$2,468,759</b>
Operating Expenses	\$1,975,173	\$1,975,173
Deemed Interest Expense	\$183,665	\$183,665
<b>Total Cost and Expenses</b>	<b>\$2,158,837</b>	<b>\$2,158,837</b>
<b>Utility Income Before Income Taxes</b>	<b>(\$33,226)</b>	<b>\$309,922</b>
Tax Adjustments to Accounting Income per 2013 PILs model	(\$224,028)	(\$224,028)
<b>Taxable Income</b>	<b>(\$257,254)</b>	<b>\$85,894</b>
Income Tax Rate	12.20%	12.20%
<b>Income Tax on Taxable Income</b>	<b>\$ -</b>	<b>\$10,479</b>
<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Utility Net Income</b>	<b>(\$33,226)</b>	<b>\$299,443</b>
<b>Utility Rate Base</b>	<b>\$8,128,199</b>	<b>\$8,128,199</b>
Deemed Equity Portion of Rate Base	\$3,251,279	\$3,251,279
Income/(Equity Portion of Rate Base)	-1.02%	9.21%
Target Return - Equity on Rate Base	9.21%	9.21%
Deficiency/Sufficiency in Return on Equity	-10.23%	0.00%
Indicated Rate of Return	1.85%	5.94%
Requested Rate of Return on Rate Base	5.94%	5.94%
Deficiency/Sufficiency in Rate of Return	-4.09%	0.00%
Target Return on Equity	\$299,443	\$299,443
Revenue Deficiency/(Sufficiency)	\$332,668	\$ -
<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$378,893</b>	<b>(1)</b>

## 6.7.2 Causes of Revenue Surplus

HHI's existing rates are based on the Board-approved rates in 2018 as an outcome of a cost-of-service rate application and subsequent annual adjustments to its' base distribution rates in years 2018 to 2023 under the Board's Annual Incentive Regulation mechanism.

As illustrated in the previous section, the revenue sufficiency is determined to be \$378,893.

The surplus is in line with the applicant's directives from its Board of directors to reduce rates while maintaining the integrity of its service to customers, distribution system, safety, and reliability.

HHI notes that although the utility is in a sufficient position, its revenue requirement has increased from its last Cost of Service. The major contributors of the increase in revenue requirement from 2018 Board Approved to Test Year (2025) are presented in the following table with explanations following.

**Table 18 – Change in Revenue Requirement**

Particular	2018	2025	Diff
<b>Long Term Debt</b>	3.33%	3.59%	0.26%
<b>Short Term Debt</b>	2.29%	6.23%	3.94%
<b>Return on Equity</b>	9.00%	9.21%	0.21%
<b>Weighted Debt Rate</b>	3.26%	3.77%	0.51%
<b>Regulated Rate of Return</b>	<b>5.56%</b>	<b>5.94%</b>	<b>0.39%</b>
<b>Controllable Expenses</b>	\$1,192,882	\$1,686,034	\$493,152
<b>Power Supply Expense</b>	\$18,554,822	\$16,892,567	-\$1,662,255
<b>Total Eligible Distribution Expenses</b>	\$19,747,704	\$18,578,602	-\$1,169,103
<b>Working Capital Allowance Rate</b>	7.50%	7.50%	0.00%
<b>Total Working Capital Allowance ("WCA")</b>	<b>\$1,481,078</b>	<b>\$1,393,395</b>	<b>-\$87,683</b>
<b>Avg Gross Assets</b>	\$7,973,514	\$9,571,346	\$1,597,832
<b>Avg Acc Depr</b>	\$923,622	\$2,836,543	\$1,912,920
<b>Average Fixed Asset</b>	\$7,049,892	\$6,734,804	\$3,510,752
<b>Working Capital Allowance</b>	\$1,481,078	\$1,393,395	-\$87,683
<b>Rate Base</b>	<b>\$8,530,970</b>	<b>\$8,128,199</b>	<b>-\$402,771</b>
<b>Regulated Rate of Return</b>	5.56%	5.94%	0.39%
<b>Regulated Return on Capital</b>	<b>\$473,868</b>	<b>\$483,108</b>	<b>\$9,239</b>
<b>Deemed Interest Expense</b>	\$166,848	\$183,665	\$16,816
<b>Deemed Return on Equity</b>	\$307,020	\$299,443	-\$7,577
<b>OM&amp;A</b>	\$1,175,114	\$1,658,229	\$483,115
<b>Depreciation Expense</b>	\$281,068	\$289,138	\$8,070
<b>PILs</b>	\$10,538	\$10,479	-\$59
<b>Property Taxes</b>	\$17,768	\$27,805	\$10,037
<b>Revenue Offset</b>	-\$214,216	-\$243,992	-\$29,776
<b>Revenue Requirement</b>	<b>\$1,744,141</b>	<b>\$2,224,767</b>	<b>\$480,626</b>

The table above shows that the Rate Base of \$8,128,199 in 2025 is lower than the 2018 Board-approved amount of \$8,530,970 by \$402,771.

The factors contributing to the change in the rate base are discussed in detail at Exhibit 2 and summarized as;

- a) Investments in the distribution system to follow the Distribution System Plan.
- b) Accommodate growth in the residential and commercial sector over the past 10 years
- c) Continue with the pole and transformer replacement plan.

The Working Capital Allowance was increased by \$138,032 due to the increase of OM&A and power supply expense.

Increased Operations, Maintenance, and Administration (OM&A) expenses are another driver of the revenue deficiency. Projected OM&A for the Test Year 2025 is \$483,115 higher than the 2018 Board-approved amount. HHI's OM&A actual costs have seen a compound annual growth rate of all years of 4.40% (from 2018 Actuals to 2025 Test Year), which is above the annual inflation rates but is necessary for the utility to be able to provide service to its growing distribution area and related system.

The cost drivers underlying HHIs increase are explained in Exhibit 4.

All customers' rates will be affected. However, HHI does not have any discrete customer groups that may be materially impacted by changes to other rates and charges.

**APPENDICES**

List of Appendices

Appendix 6A	2023 Tax Return

**APPENDIX 6A**

**APPENDIX 6A**



**APPENDIX 6A**

# MNP LLP

300 McGill Street  
Hawkesbury, ON K6A 1P8  
(613) 632-4178  
HawkesburyAdmin@mnp.ca

August 12, 2024

HYDRO HAWKESBURY INC. / HAWKESBURY HYDRO INC.  
850 TUPPER STREET  
HAWKESBURY ON K6A 3S7

Dear MICHEL POULIN,

We have prepared the corporation income tax return for HYDRO HAWKESBURY INC. / HAWKESBURY HYDRO INC. for the taxation year ending on December 31, 2023. Enclosed is a copy of T2 return for your review.

**The federal T2 tax return has a refundable balance of \$27,057.**

We will transmit your T2 return electronically to Canada Revenue Agency (CRA) using the Corporate Internet Filing system when you sign the T183Corp form and return it to us. Your return must be transmitted on or before July 1, 2024.

## **Dividends Paid**

Based on the information you provided, the following dividends were paid during the year:

- Non-eligible dividends: **\$84,467.00**

## **No foreign property**

We confirm that the corporation did not hold foreign property at any time in the tax year ending December 31, 2023 with a cost greater than \$100,000 CAD. If you do hold foreign property with a cost greater than \$100,000 CAD, please notify us immediately, for failure to disclose this information could result in a penalty.

If you have any questions about your income tax returns, please call us (613) 632-4178 or email us at HawkesburyAdmin@mnp.ca.

Sincerely,

MNP LLP  
MNP LLP

August 12, 2024

Canada Revenue Agency  
PO Box 3800, Station A  
Sudbury, Ontario  
P3A 0C3

Dear Sir, Madam:

Please find enclosed the cheque for the payment of income tax for the account of the following corporation:

Name of corporation: HYDRO HAWKESBURY INC. / HAWKESBURY HYDRO INC.

Taxation year end covered: December 31, 2023

Business Number (BN): 8905926110001

Payment Amount: \$0.00

Regards,

août 12, 2024

Agence du revenu du Canada  
C.P. 3800, Succ. A  
Sudbury, Ontario  
P3A 0C3

**Objet : Paiement d'impôt sur le revenu des sociétés**

Madame,  
Monsieur,

Vous trouvez ci-joint le chèque du paiement de l'impôt sur le revenu pour le compte de la société suivante :

Nom de la société : HYDRO HAWKESBURY INC. / HAWKESBURY HYDRO INC.

Fin de l'année d'imposition visée : décembre 31, 2023

Numéro d'entreprise (NE) : 8905926110001

Montant du paiement : \$0,00

Salutations distinguées.



### Balance Sheet Information

- Use this schedule to report the corporation's balance sheet information.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI) and T4012, T2 Corporation – Income Tax Guide.

## HYDRO HAWKESBURY INC. / HAWKESBURY HYDRO INC.

### Balance Sheet

As of December 31, 2023

	GIFI item	Current fiscal year	Previous fiscal year
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	1000	1,502,941	1,978,933
Accounts receivable	1060	1,874,702	1,563,467
Allowance for doubtful accounts	1061	(25,849)	(2,790)
Inventory parts and supplies	1122	57,845	88,201
Other current assets	1480	1,813,664	1,703,087
Prepaid expenses	1484	51,195	49,985
Taxes receivable	1066	94,112	121,166
<b>Total current assets</b>	<b>1599</b>	<b>5,368,610</b>	<b>5,502,049</b>
<b>Fixed assets</b>			
Land	1600	48,300	48,300
Land improvements	1601	5,980	5,980
Buildings	1680	680,016	678,021
Accumulated amortization of buildings	1681	(350,934)	(315,378)
Computer equipment/software	1774	123,977	123,977
Accumulated amortization of computer equipment/software	1775	(118,835)	(113,432)
Transportation equipment	1783	8,824,471	8,550,669
Accumulated amortization of transportation equipment	1784	(1,994,790)	(1,756,568)
Furniture and fixtures	1787	76,335	72,514
Accumulated amortization of furniture and fixtures	1788	(61,820)	(57,779)
Other capital assets under construction	1920	246,120	
		7,478,820	7,236,304
<b>Other assets</b>			
Other deferred items/charges	2424	96,426	86,439
		96,426	86,439
<b>Total assets</b>	<b>2599</b>	<b>12,943,856</b>	<b>12,824,792</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Amounts payable and accrued liabilities	2620	2,960,728	2,730,325
Current portion of long-term liability	2920	123,010	137,390
Other current liabilities	2960	83,554	85,379
<b>Total current liabilities</b>	<b>3139</b>	<b>3,167,292</b>	<b>2,953,094</b>
<b>Long-term Liabilities</b>			
Long-term debt	3140	2,862,870	2,985,881
Other long-term liabilities	3320	292,805	364,463
Long-term obligations/commitments/ capital leases	3321	56,612	52,608
General provisions/reserves	3325	693,126	801,116
Deferred revenue from incomplete contracts	3328	776,951	548,497
Future (deferred) income taxes	3240	202,528	29,768

This statement has been compiled from information provided by the taxpayer, solely for income tax purposes and may not be appropriate for other purposes. We have not audited, reviewed or otherwise attempted to verify its accuracy or completeness.

**Long-term Liabilities**

		4,884,892	4,782,333
<b>Total liabilities</b>	<b>3499</b>	<b>8,052,184</b>	<b>7,735,427</b>

**Shareholder equity**

**Contributed capital**

Common shares	<b>3500</b>	1,689,346	1,689,346
<b>Retained earnings (deficit)</b>	<b>3600</b>	3,202,326	3,400,019
Total shareholder equity	<b>3620</b>	4,891,672	5,089,365
<b>Total liabilities and shareholder equity</b>	<b>3640</b>	<b>12,943,856</b>	<b>12,824,792</b>

**Retained earnings (deficit)**

Opening balance	<b>3660</b>	3,400,019	3,303,979
Net income (loss)	<b>3680</b>	(113,226)	180,507
Dividends declared	<b>3700</b>	(84,467)	(84,467)
<b>Closing balance</b>	<b>3849</b>	<b>3,202,326</b>	<b>3,400,019</b>

This statement has been compiled from information provided by the taxpayer, solely for income tax purposes and may not be appropriate for other purposes. We have not audited, reviewed or otherwise attempted to verify its accuracy or completeness.



Canada Revenue  
Agency

Agence du revenu  
du Canada

**Income Statement Information**

**Schedule 125**  
Code 1005  
**Protected B**  
when completed

- Use this schedule to report your corporation's income statement information.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI) and T4012, T2 Corporation – Income Tax Guide.

**HYDRO HAWKESBURY INC. / HAWKESBURY HYDRO INC.**

**Income statement**

**For the year ended December 31, 2023**

<b>0001</b> Operating name	<b>0002</b> Description of the operation	<b>0003</b> ** Sequence number
	<b>GIFI item</b>	<b>Current fiscal year</b> <b>Previous fiscal year</b>
<b>Income</b>		
<b>Sales</b>		
Sales of goods and services	<b>8000</b>	18,868,255    18,759,871
<b>Total sales of goods and services</b>	<b>8089</b>	<b>18,868,255    18,759,871</b>
<b>Other income</b>		
Other revenue	<b>8230</b>	117,977    435,863
Realized gains/losses on disposal of assets	<b>8210</b>	(7,049)    (3,003)
<b>Total income</b>	<b>8299</b>	<b>18,979,183    19,192,731</b>
<b>Cost of goods sold</b>		
Opening inventory	<b>8300</b>	
Purchases/cost of materials	<b>8320</b>	16,799,084    17,151,409
Closing inventory	<b>8500</b>	
	<b>8518</b>	16,799,084    17,151,409
<b>Gross profit (item 8089 minus item 8518)</b>	<b>8519</b>	<b>2,069,171    1,608,462</b>
<b>Expenses</b>		
Amortization of tangible assets	<b>8670</b>	271,900    277,095
Interest on long-term debt	<b>8714</b>	138,524    133,293
Repairs and maintenance – Machinery and equipment	<b>8964</b>	365,485    339,488
Property taxes	<b>9180</b>	26,963    26,088
Other expenses	<b>9270</b>	127,736    107,479
General and administrative expenses	<b>9284</b>	1,189,957    925,543
<b>Total operating expenses</b>	<b>9367</b>	<b>2,120,565    1,808,986</b>
<b>Total cost of good sold and expenses</b>	<b>9368</b>	<b>18,919,649    18,960,395</b>
<b>Net non-farming income (item 8299 minus item 9368)</b>	<b>9369</b>	<b>59,534    232,336</b>
<b>Other comprehensive income</b>		
Total other comprehensive income		
<b>Net income (loss) before taxes and extraordinary items</b>	<b>9970</b>	<b>59,534    232,336</b>
<b>Extraordinary items</b>		
Current income taxes	<b>9990</b>	(67,055)
Deferred income taxes	<b>9995</b>	172,760    118,884
<b>Net income (loss) before comprehensive income</b>		<b>(113,226)    180,507</b>
Total other comprehensive income	<b>9998</b>	
<b>Net income (loss)</b>	<b>9999</b>	<b>(113,226)    180,507</b>

This statement has been compiled from information provided by the taxpayer, solely for income tax purposes and may not be appropriate for other purposes. We have not audited, reviewed or otherwise attempted to verify its accuracy or completeness.



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

**Schedule 141**  
Code 2101  
**Protected B**  
when completed

- 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? .....	<b>111</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If you answered <b>no</b> , go to Part 2.			
Does that person have a professional designation in accounting? .....	<b>095</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Is that person connected** with the corporation? .....	<b>097</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

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

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

### Part 2 – Type of involvement

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

Completed an auditor's report .....	<b>300</b>	<input checked="" type="checkbox"/>
Completed a review engagement report .....	<b>301</b>	<input type="checkbox"/>
Conducted a compilation engagement .....	<b>302</b>	<input type="checkbox"/>
Provided accounting services .....	<b>303</b>	<input type="checkbox"/>
Provided bookkeeping services .....	<b>304</b>	<input type="checkbox"/>
Other (please specify) .....	<b>305</b>	<input type="checkbox"/>

### Part 3 – Reservations

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

Has the person referred to in Part 1 expressed a reservation? .....	<b>099</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
---	------------	------------------------------	--

### Part 4 – Other information

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



**Part 4 – Other information (continued)**

**Impairment and fair value changes**

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? .....

**200**

Yes

No

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

**In net income**  
Increase (decrease)

**In OCI**  
Increase (decrease)

Property, plant, and equipment .....	<b>210</b>	<b>211</b>
Intangible assets .....	<b>215</b>	<b>216</b>
Investment property .....	<b>220</b>	
Biological assets .....	<b>225</b>	
Financial instruments .....	<b>230</b>	<b>231</b>
Other .....	<b>235</b>	<b>236</b>

**Financial instruments**

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

**250**

Yes

No

Did the corporation apply hedge accounting during the tax year? .....

**255**

Yes

No

Did the corporation discontinue hedge accounting during the tax year?.....

**260**

Yes

No

**Adjustments to opening equity**

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

**265**

Yes

No

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

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

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

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

# S4 Loss Continuity Worksheet

## Non-Capital Losses

A non-capital loss expires as follows:

- after 7 tax years if it arose in a tax year ending before March 23, 2004;
- after 10 tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after 20 tax years if it arose in a tax year ending after 2005

Tax year end	Ending bal. from previous tax year	Expired	Opening bal.	Transfer on amalgamation or wind-up	Current year loss	Carryback	Other adjustments	Adjustments for debt forgiveness	Applied	Applied to Part IV tax	Ending bal.	Expiring if not used this year
2023/12/31					179,609						179,609	
2022/12/31	78,352		78,352								78,352	
2021/12/31												
2020/12/31												
2019/12/31												
2018/12/31												
2017/12/31												
2016/12/31												
2015/12/31												
2014/12/31												
2013/12/31												
2012/12/31												
2011/12/31												
2010/12/31												
2009/12/31												
2008/12/31												
2007/12/31												
2006/12/31												
2005/12/31												
2004/12/31												
2003/12/31												
2002/12/31												
<b>Total</b>	78,352		78,352		179,609						257,961	

### Farm Losses

A farm loss expires as follows:

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

Tax year end	Ending bal. from previous tax year	Expired	Opening bal.	Transfer on amalgamation or wind-up	Current year loss	Carryback	Other adjustments	Adjustments for debt forgiveness	Applied	Applied to Part IV tax	Ending bal.	Expiring if not used this year
2023/12/31												
2022/12/31												
2021/12/31												
2020/12/31												
2019/12/31												
2018/12/31												
2017/12/31												
2016/12/31												
2015/12/31												
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2009/12/31												
2008/12/31												
2007/12/31												
2006/12/31												
2005/12/31												
2004/12/31												
2003/12/31												
2002/12/31												
<b>Total</b>												

### Restricted Farm Losses

A restricted farm loss expires as follows:

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

Tax year end	Ending bal. from previous tax year	Expired	Opening bal.	Transfer on amalgamation or wind-up	Current year loss	Carryback	Other adjustments	Adjustments for debt forgiveness	Applied	Ending bal.	Expiring if not used this year
2023/12/31											
2022/12/31											
2021/12/31											
2020/12/31											
2019/12/31											
2018/12/31											
2017/12/31											
2016/12/31											
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2009/12/31											
2008/12/31											
2007/12/31											
2006/12/31											
2005/12/31											
2004/12/31											
2003/12/31											
2002/12/31											
<b>Total</b>											

**Listed Personal Property Losses**

Tax year end	Ending bal. from previous tax year	Expired	Opening bal.	Current year loss	Carryback	Other adjustments	Applied	Ending bal.	Expiring if not used this year
2023/12/31									
2022/12/31									
2021/12/31									
2020/12/31									
2019/12/31									
2018/12/31									
2017/12/31									
2016/12/31									
2015/12/31									
<b>Total</b>									

# S8Asset Capital Cost Allowance (CCA) Asset Manager

## Asset and Cost Information

Class	<u>1.3-a</u>
Description	<u>Additions bâtisse</u>
Account number	_____
Select rental property (Reg. 1100(11))	_____

## Cost

Cost, beginning	_____
Additions	<u>1,995</u>
Dispositions	_____
Cost, ending	<u>1,995</u>

Show the **Net Addition Calculation** section for accelerated CCA?

## CCA

	Federal	Alberta	Québec
UCC, beginning	37,079	37,079	37,079
Total additions	1,995	1,995	1,995
DIEP included in the total additions			
AIIP additions included in the total additions	1,995	1,995	1,995
<b>Adjustments and transfers</b>			
Previous year ITC			
Other			
Assistance received or receivable subsequent to disposition <sup>7</sup>			
Assistance repaid subsequent to disposition <sup>8</sup>			
<b>Net adjustments and transfers</b>			
Adjusted UCC	39,074	39,074	39,074
Proceeds of disposition			
UCC before CCA	39,074	39,074	39,074
Immediate expensing <sup>9</sup>			
1/2 year and UCC adjustments <sup>4</sup>	(998)	(998)	(998)
Base for CCA	40,072	40,072	40,072
Rate	6 %	6 %	6 %
CCA (Including immediate expensing deduction amount)	2,404	2,404	2,404
Terminal loss			
Recapture			
UCC, ending	36,670	36,670	36,670

## Immediate expensing

a. DIEP <sup>9</sup>	_____	_____	_____
b. Disposition of DIEP	_____	_____	_____
c. DIEP adjustments	_____	_____	_____
d. UCC of the DIEP (a - b + c)	_____	_____	_____
e. UCC before CCA	_____	_____	_____
f. UCC of the DIEP included in row e (UCC before CCA)	_____	_____	_____
g. IEL <sup>10</sup> for this asset (If terminal loss or recapture, enter "0")	_____	_____	_____
h. Immediate expensing (Lesser of f or g)	_____	_____	_____

## Net addition calculation

Non AIIP addition	_____	_____	_____
Assistance (subsequent to disposition) allocated	+	_____	_____
Disposition allocated <sup>5</sup>	-	_____	_____
Net non-AIIP addition <sup>1</sup>	=	_____	_____
AIIP addition including DIEP		1,995	1,995
DIEP addition	-	_____	_____
UCC of the DIEP	+	_____	_____
Immediate expensing	-	_____	_____
AIIP addition	=	1,995	1,995
Disposition allocated <sup>5</sup>	-	_____	_____
Net AIIP addition <sup>2</sup>	=	1,995	1,995
1/2 year adjustments			
UCC adjustment <sup>3</sup>	-	998	998
UCC adjustment (non QIP) <sup>6</sup>	-	N/A	N/A
1/2 year and UCC adjustments <sup>4</sup>	=	(998)	(998)

### Accelerated Investment Incentive Property (AIIP) and Immediate Expensing Deduction

Additions after **November 20, 2018** are eligible for an accelerated CCA in the year of acquisition. The accelerated CCA rule suspends the 1/2 year adjustment to the eligible additions by adding the 1/2 year adjustment rather than subtracting it from the UCC base. For most CCA classes, such additions result in 3 times the first year CCA than the normal first year CCA.

1. Additions before **November 21, 2018** . Ineligible addition for accelerated CCA. Subject to 1/2 year rule in the year of acquisition.
2. Additions **after November 20, 2018 and before 2028** . Eligible addition for accelerated CCA. 1/2 year rule suspended in the year of acquisition.
3. UCC adjustment under the proposed *Regulation 1100(2)* with respect to additions after November 20, 2018:  
UCC adjustment = variable x net addition <sup>5</sup>
4. If the total is negative, add (rather than subtract) to calculate UCC base for CCA.
5. Where UCC of a class is increased in a year by both additions before November 21, 2018 and additions after November 20, 2018, and there is a disposition, the disposition must first reduce pre November 21, 2018 addition before post November 20, 2018 additions to calculate the net addition.
6. Not applicable.
7. Enter only as a negative amount. Assistance received or receivable during the year for a property, subsequent to disposition (column 6 of Schedule 8). In column 6 of Schedule 8, the amount is carried over as a positive amount.
8. Enter only as a positive amount. Assistance that is repaid during the year for a property, subsequent to disposition (column 7 of Schedule 8).
9. DIEP (Designated Immediate Expensing Property) - Eligible property under this new measure would be capital property that is subject to the capital cost allowance (CCA) rules, other than property included in CCA classes 1 to 6, 14.1, 17, 47, 49 and 51, which are generally long-lived assets.
10. IEL (Immediate expensing limit)

### Current Year Addition/Disposition Transactions

Description	J.G. Barrette Electric Ltd		Transaction date <sup>3</sup>		2023/07/27	
	Additions		Dispositions			
Cost of addition <sup>1</sup>		1,995	Proceeds		Full disposition?	No
DIEP? <sup>5</sup>	No		Outlays		Terminal loss?	No
AIIP? <sup>5</sup>	Yes		Net proceeds		DIEP? <sup>8</sup>	No
AIIP for Québec? <sup>6</sup>	Yes		Cost			
QIP for Québec? <sup>7</sup>	Yes		Lower of cost and proceeds			
Half year rule applies?	Yes					
Trade-in allowance <sup>2</sup>						
GST/HST, PST, QST % <sup>2</sup>						
GST/HST input tax credit <sup>2</sup>						

Description			Transaction date <sup>3</sup>			
	Additions		Dispositions			
Cost of addition <sup>1</sup>			Proceeds		Full disposition?	No
DIEP? <sup>5</sup>	No		Outlays		Terminal loss?	No
AIIP? <sup>5</sup>	No		Net proceeds		DIEP? <sup>8</sup>	No
AIIP for Québec? <sup>6</sup>	No		Cost			
QIP for Québec? <sup>7</sup>	Yes		Lower of cost and proceeds			
Half year rule applies?	Yes					
Trade-in allowance <sup>2</sup>						
GST/HST, PST, QST % <sup>2</sup>						
GST/HST input tax credit <sup>2</sup>						

1. For class 10.1 or 54 addition, enter purchase price before tax.
2. Use only for class 10.1 or 54 addition vehicle acquisition during the tax year.
3. Date of transaction **must** be entered for additions after November 20, 2018.
4. Accelerated Investment Incentive Property (AIIP). Additions made after November 20, 2018.
5. Designated Immediate Expensing property (DIEP). Additions made after April 18, 2021 and before 2024 (for CCPCs)
6. AIIP for Québec. Additions made after November 20, 2018.
7. Qualified intellectual property (QIP) for Québec. Applicable to additions made after December 3, 2018 for classes 14, 14.1 and 44.
8. Answer **Yes** if DIEP is purchased and subsequently disposed of in the current taxation year, or a class 10.1 vehicle disposed of is a DIEP

### History of additions

Description	Date acquired	DIEP?	Cost	Class 10.1 or 54 capital cost limit (before tax)	Class 10.1 or 54 capital cost limit (after tax)	Disposed of?
		No				No
		Total Cost				

# S8Asset Capital Cost Allowance (CCA) Asset Manager

## Asset and Cost Information

Class	<u>47-a</u>
Description	<u>Transm + Distr Feb 22, 2005 and later</u>
Account number	
Select rental property (Reg. 1100(11))	

## Cost

Cost, beginning	<u>438,897</u>
Additions	<u>41,076</u>
Dispositions	
Cost, ending	<u>479,973</u>

Show the **Net Addition Calculation** section for accelerated CCA?

## CCA

	Federal	Alberta	Québec
UCC, beginning	<u>4,237,161</u>	<u>4,237,161</u>	<u>4,237,161</u>
Total additions	<u>41,076</u>	<u>41,076</u>	<u>41,076</u>
DIEP included in the total additions			
AIIP additions included in the total additions	<u>41,076</u>	<u>41,076</u>	<u>41,076</u>
<b>Adjustments and transfers</b>			
Previous year ITC			
Other			
Assistance received or receivable subsequent to disposition <sup>7</sup>			
Assistance repaid subsequent to disposition <sup>8</sup>			
<b>Net adjustments and transfers</b>			
Adjusted UCC	<u>4,278,237</u>	<u>4,278,237</u>	<u>4,278,237</u>
Proceeds of disposition			
UCC before CCA	<u>4,278,237</u>	<u>4,278,237</u>	<u>4,278,237</u>
Immediate expensing <sup>9</sup>			
1/2 year and UCC adjustments <sup>4</sup>	<u>(20,538)</u>	<u>(20,538)</u>	<u>(20,538)</u>
Base for CCA	<u>4,298,775</u>	<u>4,298,775</u>	<u>4,298,775</u>
Rate	<u>8 %</u>	<u>8 %</u>	<u>8 %</u>
CCA (Including immediate expensing deduction amount)	<u>343,902</u>	<u>343,902</u>	<u>343,902</u>
Terminal loss			
Recapture			
UCC, ending	<u>3,934,335</u>	<u>3,934,335</u>	<u>3,934,335</u>

## Immediate expensing

a. DIEP <sup>9</sup>			
b. Disposition of DIEP			
c. DIEP adjustments			
d. UCC of the DIEP (a - b + c)			
e. UCC before CCA			
f. UCC of the DIEP included in row e (UCC before CCA)			
g. IEL <sup>10</sup> for this asset (If terminal loss or recapture, enter "0")			
h. Immediate expensing (Lesser of f or g)			

## Net addition calculation

Non AIIP addition			
Assistance (subsequent to disposition) allocated			
Disposition allocated <sup>5</sup>			
Net non-AIIP addition <sup>1</sup>			
AIIP addition including DIEP	<u>41,076</u>	<u>41,076</u>	<u>41,076</u>
DIEP addition			
UCC of the DIEP			
Immediate expensing			
AIIP addition	<u>41,076</u>	<u>41,076</u>	<u>41,076</u>
Disposition allocated <sup>5</sup>			
Net AIIP addition <sup>2</sup>	<u>41,076</u>	<u>41,076</u>	<u>41,076</u>
1/2 year adjustments			
UCC adjustment <sup>3</sup>	<u>20,538</u>	<u>20,538</u>	<u>20,538</u>
UCC adjustment (non QIP) <sup>6</sup>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
1/2 year and UCC adjustments <sup>4</sup>	<u>(20,538)</u>	<u>(20,538)</u>	<u>(20,538)</u>



## Accelerated Investment Incentive Property (AIIP) and Immediate Expensing Deduction

Additions after **November 20, 2018** are eligible for an accelerated CCA in the year of acquisition. The accelerated CCA rule suspends the 1/2 year adjustment to the eligible additions by adding the 1/2 year adjustment rather than subtracting it from the UCC base. For most CCA classes, such additions result in 3 times the first year CCA than the normal first year CCA.

- Additions before **November 21, 2018** . Ineligible addition for accelerated CCA. Subject to 1/2 year rule in the year of acquisition.
- Additions **after November 20, 2018 and before 2028** . Eligible addition for accelerated CCA. 1/2 year rule suspended in the year of acquisition.
- UCC adjustment under the proposed *Regulation 1100(2)* with respect to additions after November 20, 2018:  
UCC adjustment = variable x net addition <sup>5</sup>
- If the total is negative, add (rather than subtract) to calculate UCC base for CCA.
- Where UCC of a class is increased in a year by both additions before November 21, 2018 and additions after November 20, 2018, and there is a disposition, the disposition must first reduce pre November 21, 2018 addition before post November 20, 2018 additions to calculate the net addition.
- Not applicable.
- Enter only as a negative amount. Assistance received or receivable during the year for a property, subsequent to disposition (column 6 of Schedule 8). In column 6 of Schedule 8, the amount is carried over as a positive amount.
- Enter only as a positive amount. Assistance that is repaid during the year for a property, subsequent to disposition (column 7 of Schedule 8).
- DIEP (Designated Immediate Expensing Property) - Eligible property under this new measure would be capital property that is subject to the capital cost allowance (CCA) rules, other than property included in CCA classes 1 to 6, 14.1, 17, 47, 49 and 51, which are generally long-lived assets.
- IEL (Immediate expensing limit)

## Current Year Addition/Disposition Transactions

Description	Acquisitions 2023	Transaction date <sup>3</sup>	2023/12/31
	<b>Additions</b>		<b>Dispositions</b>
Cost of addition <sup>1</sup>	41,076	Proceeds	Full disposition? <b>No</b>
DIEP? <sup>5</sup>	No	Outlays	Terminal loss? <b>No</b>
AIIP? <sup>5</sup>	Yes	Net proceeds	DIEP? <sup>8</sup> <b>No</b>
AIIP for Québec? <sup>6</sup>	Yes	Cost	
QIP for Québec? <sup>7</sup>	Yes	Lower of cost and proceeds	
Half year rule applies?	Yes		
Trade-in allowance <sup>2</sup>			
GST/HST, PST, QST % <sup>2</sup>			
GST/HST input tax credit <sup>2</sup>			

Description	Additions	Transaction date <sup>3</sup>	Dispositions
Cost of addition <sup>1</sup>		Proceeds	Full disposition? <b>No</b>
DIEP? <sup>5</sup>	No	Outlays	Terminal loss? <b>No</b>
AIIP? <sup>5</sup>	No	Net proceeds	DIEP? <sup>8</sup> <b>No</b>
AIIP for Québec? <sup>6</sup>	No	Cost	
QIP for Québec? <sup>7</sup>	Yes	Lower of cost and proceeds	
Half year rule applies?	Yes		
Trade-in allowance <sup>2</sup>			
GST/HST, PST, QST % <sup>2</sup>			
GST/HST input tax credit <sup>2</sup>			

- For class 10.1 or 54 addition, enter purchase price before tax.
- Use only for class 10.1 or 54 addition vehicle acquisition during the tax year.
- Date of transaction **must** be entered for additions after November 20, 2018.
- Accelerated Investment Incentive Property (AIIP). Additions made after November 20, 2018.  
Designated Immediate Expensing property (DIEP). Additions made after April 18, 2021 and before 2024 (for CCPCs)
- AIIP for Québec. Additions made after November 20, 2018.
- Qualified intellectual property (QIP) for Québec. Applicable to additions made after December 3, 2018 for classes 14, 14.1 and 44.
- Answer **Yes** if DIEP is purchased and subsequently disposed of in the current taxation year, or a class 10.1 vehicle disposed of is a DIEP

## History of additions

Description	Date acquired	DIEP?	Cost	Class 10.1 or 54 capital cost limit (before tax)	Class 10.1 or 54 capital cost limit (after tax)	Disposed of?
Acquisitions 2019	2019/12/31	No	167,396			No
Acquisitions 2021 - contributed capital	2021/06/30	No	180,960			No
Acquisitions 2022	2022/06/30	No	257,937			No
		No				No
		Total Cost	606,293			

# S8Asset Capital Cost Allowance (CCA) Asset Manager

## Asset and Cost Information

Class	<u>50-a</u>
Description	<u>Computer &gt; 18-03-07</u>
Account number	_____
Select rental property (Reg. 1100(11))	_____

<b>Cost</b>	
Cost, beginning	5,027
Additions	3,820
Dispositions	_____
Cost, ending	<u>8,847</u>

Show the **Net Addition Calculation** section for accelerated CCA?

## CCA

	Federal	Alberta	Québec
UCC, beginning	289	289	191
Total additions	3,820	3,820	3,820
DIEP included in the total additions	3,820	3,820	_____
AIIP additions included in the total additions	3,820	3,820	3,820
<b>Adjustments and transfers</b>			
Previous year ITC	_____	_____	_____
Other	_____	_____	_____
Assistance received or receivable subsequent to disposition <sup>7</sup>	_____	_____	_____
Assistance repaid subsequent to disposition <sup>8</sup>	_____	_____	_____
<b>Net adjustments and transfers</b>			
Adjusted UCC	4,109	4,109	4,011
Proceeds of disposition	_____	_____	_____
UCC before CCA	4,109	4,109	4,011
Immediate expensing <sup>9</sup>	3,820	3,820	_____
1/2 year and UCC adjustments <sup>4</sup>	_____	_____	(3,125)
Base for CCA	289	289	7,136
Rate	55 %	55 %	55 %
CCA (Including immediate expensing deduction amount)	3,979	3,979	3,925
Terminal loss	_____	_____	_____
Recapture	_____	_____	_____
UCC, ending	130	130	86

## Immediate expensing

a. DIEP <sup>9</sup>	3,820	3,820	_____
b. Disposition of DIEP	_____	_____	_____
c. DIEP adjustments	_____	_____	_____
d. UCC of the DIEP (a - b + c)	3,820	3,820	_____
e. UCC before CCA	4,109	4,109	_____
f. UCC of the DIEP included in row e (UCC before CCA)	3,820	3,820	_____
g. IEL <sup>10</sup> for this asset (If terminal loss or recapture, enter "0")	3,820	3,820	_____
h. Immediate expensing (Lesser of f or g)	3,820	3,820	_____

## Net addition calculation

Non AIIP addition	_____	_____	_____
Assistance (subsequent to disposition) allocated	+	_____	_____
Disposition allocated <sup>5</sup>	-	_____	_____
Net non-AIIP addition <sup>1</sup>	=	_____	_____
AIIP addition including DIEP	3,820	3,820	3,820
DIEP addition	-	3,820	3,820
UCC of the DIEP	+	3,820	3,820
Immediate expensing	-	3,820	3,820
AIIP addition	=	_____	3,820
Disposition allocated <sup>5</sup>	-	_____	_____
Net AIIP addition <sup>2</sup>	=	_____	3,820
1/2 year adjustments	_____	_____	_____
UCC adjustment <sup>3</sup>	-	_____	3,125
UCC adjustment (non QIP) <sup>6</sup>	-	N/A	N/A
1/2 year and UCC adjustments <sup>4</sup>	=	_____	(3,125)

### Accelerated Investment Incentive Property (AIIP) for class 50

Additions after November 20, 2018 are eligible for an accelerated CCA in the year of acquisition. The accelerated CCA rule suspends the 1/2 year adjustment to the eligible additions by adding the 1/2 year adjustment rather than subtracting it from the UCC base. For most CCA classes, such additions result in 3 times the first year CCA than the normal first year CCA.

1. Additions before **November 21, 2018** . Ineligible addition for accelerated CCA. Subject to 1/2 year rule in the year of acquisition.
2. Additions **after November 20, 2018 and before 2028**. Eligible addition for accelerated CCA. 1/2 year rule suspended in the year of acquisition.
3. UCC adjustment under the proposed *Regulation 1100(2)* with respect to additions after November 20, 2018:  
UCC adjustment = variable x net addition <sup>5</sup>
4. If the total is negative, add (rather than subtract) to calculate UCC base for CCA.
5. Where UCC of a class is increased in a year by both additions before November 21, 2018 and additions after November 20, 2018, and there is a disposition, the disposition must first reduce pre November 21, 2018 addition before post November 20, 2018 additions to calculate the net addition.
6. Not applicable.
7. Enter only as a negative amount. Assistance received or receivable during the year for a property, subsequent to disposition (column 6 of Schedule 8). In column 6 of Schedule 8, the amount is carried over as a positive amount.
8. Enter only as a positive amount. Assistance that is repaid during the year for a property, subsequent to disposition (column 7 of Schedule 8).
9. DIEP (Designated Immediate Expensing Property) - Eligible property under this new measure would be capital property that is subject to the capital cost allowance (CCA) rules, other than property included in CCA classes 1 to 6, 14.1, 17, 47, 49 and 51, which are generally long-lived assets.
10. IEL (Immediate expensing limit)

### Current Year Addition/Disposition Transactions

Description	Acquisitions 2023 - CUPR		Transaction date <sup>3</sup>		2023/06/30	
	Additions		Dispositions			
Cost of addition <sup>1</sup>		3,820	Proceeds		Full disposition?	No
DIEP? <sup>5</sup>	Yes		Outlays		Terminal loss?	No
AIIP? <sup>5</sup>	Yes		Net proceeds		DIEP? <sup>8</sup>	No
AIIP for Québec? <sup>6</sup>	Yes		Cost			
QIP for Québec? <sup>7</sup>	Yes		Lower of cost and proceeds			
Half year rule applies?	Yes					
Trade-in allowance <sup>2</sup>						
GST/HST, PST, QST % <sup>2</sup>						
GST/HST input tax credit <sup>2</sup>						

Description	Additions		Transaction date <sup>3</sup>			
	Additions		Dispositions			
Cost of addition <sup>1</sup>			Proceeds		Full disposition?	No
DIEP? <sup>5</sup>	No		Outlays		Terminal loss?	No
AIIP? <sup>5</sup>	No		Net proceeds		DIEP? <sup>8</sup>	No
AIIP for Québec? <sup>6</sup>	No		Cost			
QIP for Québec? <sup>7</sup>	Yes		Lower of cost and proceeds			
Half year rule applies?	Yes					
Trade-in allowance <sup>2</sup>						
GST/HST, PST, QST % <sup>2</sup>						
GST/HST input tax credit <sup>2</sup>						

1. For class 10.1 or 54 addition, enter purchase price before tax.
2. Use only for class 10.1 or 54 addition vehicle acquisition during the tax year.
3. Date of transaction **must** be entered for additions after November 20, 2018.
5. Accelerated Investment Incentive Property (AIIP). Additions made after November 20, 2018.  
Designated Immediate Expensing property (DIEP). Additions made after April 18, 2021 and before 2024 (for CCPCs)
6. AIIP for Québec. Additions made after November 20, 2018.
7. Qualified intellectual property (QIP) for Québec. Applicable to additions made after December 3, 2018 for classes 14, 14.1 and 44.
8. Answer **Yes** if DIEP is purchased and subsequently disposed of in the current taxation year, or a class 10.1 vehicle disposed of is a DIEP

### History of additions

Description	Date acquired	DIEP?	Cost	Class 10.1 or 54 capital cost limit (before tax)	Class 10.1 or 54 capital cost limit (after tax)	Disposed of?
CUPR - Hardware	2021/08/31	No	1,245			No
Computer 2022	2022/06/30	Yes	3,782			No
		No				No
		Total Cost	5,027			

# S8Claim Capital Cost Allowance (CCA) Claim

## CCA Claim order

TaxCycle provides you with the option of defining the order that CCA properties are claimed in the return. The default method will mean properties will be claimed beginning with those that have the lowest CCA rate to the highest, followed by buildings at the end. To utilize a different option, select the checkbox next to your desired order of claiming CCA property.

### Non-rental assets

- A  Lowest CCA rate to highest, buildings claimed at end
- B  Lowest CCA rate to highest
- C  Lowest CCA amount to highest
- D  Highest CCA amount to lowest

### Rental assets

- A  Lowest CCA rate to highest, buildings claimed at end
- B  Lowest CCA rate to highest
- C  Lowest CCA amount to highest
- D  Highest CCA amount to lowest

## CCA claim for buildings

### Non-rental assets

Include CCA claim for buildings

### Rental assets

Include CCA claim for buildings

## CCA claim for rental properties

Limit CCA under Regulation 1100(11) for all rental statements?

Yes  No

## CCA claim for class 43.2 Specified Energy Properties

Limit CCA under Regulation 1100(24) to (29) for all class 43.2 assets?

Yes  No

Net income earned on these specified energy properties .....

\_\_\_\_\_

## Immediate Expensing Incentive available to CCPCs

The corporation is eligible for the immediate expensing incentive ..... Yes  No

The immediate expensing incentive calculation is being applied to this tax return ..... Yes  No

Manually allocate immediate expensing limit to each DIEP in S8Asset ..... Yes  No

## CCA Summary

Class number	Description	Rate	Available CCA Claim	Actual CCA Claim
1-a	Buildings	4	22,333	22,333
2-a	Electrical generating equipment, manufacturing and distributing equip. plant, acquired	6	9,901	9,901
8-a	Certain property, furniture, appliances, tools costing \$500 or more, photocopiers, elec	20	1,163	1,163
10-a	Computer hardware, systems software, motor vehicles	30	4	4
1-b	Buildings	4	15,277	15,277
8-b	Certain property, furniture, appliances, tools costing \$500 or more, photocopiers, elec	20	652	652
45-a	General-purpose electronic data processing equipment (computer hardware) and sys	45		
47-a	Property that is transmission or distribution equipment, equipment for purpose of prod	8	343,902	343,902
50-a	Computer hardware and systems software acquired after March 18, 2007	55	3,979	3,979
1.3-a	Other non-residential buildings after March 18, 2007	6	2,404	2,404
14.1-a	Goodwill, eligible capital property	7	339	500
12-a	China, cutlery, linen, uniforms, computer software (non-systems), DVD players rented	100		
			<b>Total CCA Claim</b>	<b>400,115</b>

## Authorization request – signature page

**Instructions:**

1. Print this page and have it signed and dated by the authorized person of the business.
2. Retain a copy of the signed and dated authorization request in your files for six years from the transmission date to the CRA. Do not send us the authorization request by mail or fax unless requested to do so.

**Representative information**

You **must** enter all the information for **only one** of the following options:

- the RepID, representative name **and** its telephone number;
- the GroupID, group name **and** its telephone number; **or**
- the BN, firm name **and** its telephone number.

RepID		Representative name	
GroupID		Group Name	
G		Firm Name	MNP LLP
Business number (BN)		Country code*	Telephone number: Ext:
1 2 1 8 8 2 9 5 5		001	(613) 632-4178
		* 3 digit international calling country code (Canada = 001)	

**Business information**

Business name	HYDRO HAWKESBURY INC. / HAWK	Business Number (BN)	8 9 0 5 9 2 6 1 1
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**Level of authorization and expiry date**

Choose **only one** of the following three choices. Tick **one** box, either (a), (b) or (c) **and** enter information as needed.

**Level 1** - View only authorization allows the CRA to **only disclose** information on the program accounts.

**Level 2** - Update and view authorization allows the CRA to **disclose information** and **accept changes** to the program accounts.

**Level 3** - (**Only** available to electronic filers with a RepID) Delegate authority, update, and view authorization allows **adding of other representatives** and allows the CRA to **disclose information** and **accept changes** to the program accounts.

Enter an **expiry date** for the authorization level selected above. If the expiry date field is left blank, the authorization does not expire.

Expiry date (YYYY-MM-DD)

**List of authorizations**

1. Complete the table below to select the accounts to which you wish to gain access.
2. **Select all program accounts and reference numbers** - Tick this box if you wish to gain access to **all** program accounts and **all** reference numbers. If you tick this box, do **not** complete columns 2 or 3.
3. **Program identifier** - Select the program to which you wish to gain access.
4. **Specific reference number** - This refers to the last 4 digits of the program identifier you selected in column 2 (for example, 0001, 0002). If the program identifier is entered and specific reference number is left blank, it means the authorization is for all reference numbers for that specific program identifier.

1 Select all program accounts and reference numbers	2 Program identifier (two letters)	3 Specific reference number (last four digits)
<input checked="" type="checkbox"/>		
<input type="checkbox"/>		

**Certification**

By signing and dating this page, you authorize the Canada Revenue Agency to interact with the representative mentioned above.

First name: MICHEL Last name: POULIN

Signature:  Date (YYYY-MM-DD): 2 0 2 4 | 0 8 | 1 2



Canada Revenue Agency / Agence du revenu du Canada

# T2 Corporation Income Tax Return

200

Code 2201

**Protected B**  
when completed

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. A shorter version of the return, the T2SHORT, is available for eligible corporations.

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

055 Do not use this area

## Identification

Business Number (BN) 001 890592611 RC0001

Corporation's name  
002 HYDRO HAWKESBURY INC. / HAWKESBURY HYDRO INC.

To which tax year does this return apply?  
Tax year start 060 2,0,2,3 0,1,0,1  
Tax year end 061 2,0,2,3 1,2,3,1

Address of head office  
Has this address changed since the last time the CRA was notified? 010 Yes  No   
If yes, complete lines 011 to 018.

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

011 850 TUPPER STREET  
012 City Province, territory, or state  
015 HAWKESBURY 016 ON  
017 Country (other than Canada) 018 K6A 3S7

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

Mailing address (if different from head office address)  
Has this address changed since the last time the CRA was notified? 020 Yes  No   
If yes, complete lines 021 to 028.

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

021 c/o  
022 850 TUPPER STREET  
023 City Province, territory, or state  
025 HAWKESBURY 026 ON  
027 Country (other than Canada) 028 K6A 3S7

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

Location of books and records (if different from head office address)  
Has this address changed since the last time the CRA was notified? 030 Yes  No   
If yes, complete lines 031 to 038.

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

031 850 TUPPER STREET  
032 City Province, territory, or state  
035 HAWKESBURY 036 ON  
037 Country (other than Canada) 038 K6A 3S7

Is this the final tax year before amalgamation? 076 Yes  No

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

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

040 Type of corporation at the end of the tax year (tick one)  
1  Canadian-controlled private corporation (CCPC)  
2  Other private corporation  
3  Public corporation  
4  Corporation controlled by a public corporation  
5  Other corporation (specify)  
If the type of corporation changed during the tax year, provide the effective date of the change 043

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

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

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

Do not use this area

095

096

898

Protected B when completed

**Attachments**

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

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

**Yes Schedule**

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





**Small business deduction**

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

Income eligible for the small business deduction from Schedule 7 .....	<b>400</b>	A
Taxable income from line 360 on page 3, <b>minus</b> 100/28 of the amount on line 632* on page 8, <b>minus</b> 4 times the amount on line 636** on page 8, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax .....	<b>405</b>	B
Business limit (see notes 1 and 2 below) .....	<b>410</b>	500,000 C

**Notes:**

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

**Business limit reduction:**

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

$$\text{Amount C } \underline{500,000} \times \frac{\underline{415}^{***}}{11,250} \times 90,000 \text{ D} = \dots \underline{\hspace{2cm}} \text{ E1}$$

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

$$\text{Amount C } \underline{500,000} \times \frac{\underline{415}^{***}}{90,000} \times 90,000 \text{ D} = \dots \underline{500,000} \text{ E2}$$

$$\text{Amount E1 or amount E2, whichever applies } \underline{500,000} \blacktriangleright \underline{500,000} \text{ E3}$$

**Passive income business limit reduction**

$$\text{Adjusted aggregate investment income from Schedule 7 ****} \underline{417} - 50,000 = \dots \underline{\hspace{2cm}} \text{ F}$$

$$\text{Amount C } \frac{500,000}{100,000} \times \text{Amount F } \underline{\hspace{2cm}} = \dots \underline{\hspace{2cm}} \text{ G}$$

$$\text{The greater of amount E3 and amount G } \underline{422} \underline{500,000} \text{ H}$$

$$\text{Reduced business limit (amount C minus amount H) (if negative, enter "0")} \dots \underline{426} \text{ I}$$

$$\text{Business limit the CCPC assigns under subsection 125(3.2) (from line 515)} \dots \underline{\hspace{2cm}} \text{ J}$$

$$\text{Reduced business limit after assignment (amount I minus amount J)} \dots \underline{428} \text{ K}$$

**Small business deduction**

Amount A, B, C, or K, whichever is the least	x	No. of days on or after January 1, 2018 and before January 1, 2019		x	18.0 %	=	
		Number of days in the tax year	365				
Amount A, B, C, or K, whichever is the least	x	No. of days on or after January 1, 2019	365	x	19.0 %	=	
		Number of days in the tax year	365				

$$\text{Total of the above amounts} \dots \underline{430}$$

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

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

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

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

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

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



**Protected B** when completed

**Refundable portion of Part I tax**

**Canadian-controlled private corporations throughout the tax year**

Aggregate investment income from Schedule 7	440	× 30 2/3% =		A
Foreign non-business income tax credit from line 632 on page 8				B
Foreign investment income from Schedule 7	445	× 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		× 75/29		H
Foreign business income tax credit from line 636 on page 8		× 4 =		I
Subtotal (add amounts G to I)			▶	J
Subtotal (amount F minus amount J)				K
		× 30 2/3% =		L
Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9)				M
<b>Refundable portion of Part I tax</b> – Amount E, L, or M, whichever is the least				N
	450			

**Protected B** when completed

**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) .....	<b>520</b>	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") .....	<b>535</b>	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 .....	<b>525</b>	F
ERDTOH dividend refund for the previous tax year .....	<b>570</b>	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 .....	<b>540</b>	M
NERDTOH dividend refund for the previous tax year .....	<b>575</b>	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
<b>NERDTOH at the end of the tax year</b> (total of amounts B, H, M, and P minus amount N) (if negative, enter "0") .....	<b>545</b>	
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
<b>ERDTOH at the end of the tax year</b> (total of amounts A, F, and Q minus amount G) (if negative, enter "0") .....	<b>530</b>	

**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
<b>Eligible dividend refund</b> (amount AA or BB, whichever is less) .....		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3) .....	32,379	DD
NERDTOH balance at the end of the tax year (line 545) .....		EE
<b>Non-eligible dividend refund</b> (amount DD or EE, whichever is less) .....		FF
Amount DD minus amount EE (if negative, enter "0") .....	32,379	GG
Amount BB minus amount CC (if negative, enter "0") .....		HH
<b>Additional non-eligible dividend refund</b> (amount GG or HH, whichever is less) .....		II
<b>Dividend refund</b> – Amount CC plus amount FF plus amount II .....		JJ

Enter amount JJ on line 784 on page 9.

**Protected B** when completed

**Part I tax**

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

**Privacy statement**

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

Protected B when completed

**Summary of tax and credits**

**Federal tax**

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

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

**Add provincial or territorial tax:**

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

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

Total tax payable **770** \_\_\_\_\_ A

**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	_____
Small businesses air quality improvement tax credit from Schedule 65 .....	799	_____
Tax withheld at source .....	800	_____

Total payments on which tax has been withheld ..... **801** \_\_\_\_\_

Provincial and territorial capital gains refund from Schedule 18 .....
 808 | \_\_\_\_\_ |

Provincial and territorial refundable tax credits from Schedule 5 .....
 812 | \_\_\_\_\_ |

Tax instalments paid .....
 840 | 27,057 |

Total credits **890** 27,057 **27,057** B

Balance (amount A minus amount B) **(27,057)**

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

Refund code **894 1** Refund **27,057** Balance owing .....

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

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

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

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

EFILE number ..... **920** L9470

Rep ID ..... **925** A386701

**Certification**

I, **950** POULIN Last name **951** MICHEL First name **954** Gérant Position, office, or rank

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

**955** 2 0 2 4 0 8 1 2 Date (yyyy/mm/dd) \_\_\_\_\_ Signature of the authorized signing officer of the corporation **956** (613) 632-6689 Telephone number

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

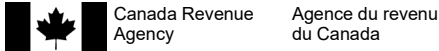
**958** \_\_\_\_\_ Name **959** ( ) - Telephone number

**Language of correspondence - Langue de correspondance**

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

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

**990** 1



**Schedule 1**  
 Code 1901  
**Protected B**  
 when completed

**Net Income (Loss) for Income Tax Purposes**

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

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 .....		(113,226) A	Previous Fiscal Year 180,507
<b>Add:</b>			
Provision for income taxes – current.....	<b>101</b>		(67,055)
Provision for income taxes – deferred.....	<b>102</b>	172,760	118,884
Amortization of tangible assets .....	<b>104</b>	271,900	277,095
Loss on disposal of assets .....	<b>111</b>	7,049	3,003
Amount D .....	<b>199</b>		
<b>Total (lines 101 to 199)</b> .....	<b>500</b>	451,709	331,927
Amount A <b>plus</b> line 500 .....		338,483 B	512,434
<b>Deduct:</b>			
Capital cost allowance from Schedule 8 .....	<b>403</b>	400,115	438,652
Amount E .....	<b>499</b>	117,977	812,140
<b>Total (lines 401 to 499)</b> .....	<b>510</b>	518,092	1,250,792
<b>Net income (loss) for income tax purposes</b> (amount B <b>minus</b> line 510).....		(179,609) C	(738,358)
Enter amount C on line 300 on page 3 of the T2 return.			
<b>Total</b> of lines 201 to 249 and line 296 .....			D
Enter amount D on line 199 on page 1.			

**Deduct:**  
**Other deductions:**

1 Description <b>705</b>	2 Amount <b>395</b>		
Net movement in regulatory deferral accounts	117,977		
Adjustment to net movement in regulatory deferral accounts			
<b>Total of column 2</b> .....	117,977	<b>396</b>	117,977
<b>Total</b> of lines 300 to 345 and line 396 .....		117,977 E	812,140
Enter amount E at line 499			



Canada Revenue Agency  
 Agence du revenu du Canada

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

**Schedule 3**  
 Code 1904  
**Protected B**  
 when completed

- Corporations must use this schedule to report:
  - non-taxable dividends under section 83
  - deductible dividends under subsection 138(6)
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d)
  - taxable dividends paid in the tax year that qualify for a dividend refund
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations (as defined in subsection 186(3)).
- A payer corporation is **connected** with a recipient corporation at any time in a tax year, if at that time the recipient corporation meets either of the following conditions:
  - it controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b)
  - it owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.

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

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

**Important instructions to follow if the payer corporation is connected**

- If your corporation's tax year-end is different than that of the recipient corporation with which you are connected, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.
- When completing columns J and K use the **special calculations provided in the notes**.

A Name of payer corporation (from which the corporation received the dividend)	Complete if payer corporation is connected		
	B Enter 1 if payer corporation is <b>connected</b> (2 if not connected)	Foreign	C Business number of <b>connected</b> corporation
200	205		210
			RC

D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD	Complete if payer corporation is connected		For lines 200 and 210 in S53	
	E Non-taxable dividends under section 83	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) <sup>1</sup>	Classify dividend deduction	G Eligible dividends included in column F
220	230	240		242
<b>Total of column E</b> (enter amount on line 402 of Schedule 1)				

Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B) .....	1A
Taxable dividends received from non-connected corporations (total amounts from column F with no code in column B) .....	1B
Subtotal (amount 1A <b>plus</b> amount 1B, include this amount on line 320 of the T2 return)	1C
Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B) .....	1D
Eligible dividends received from non-connected corporations (total amounts from column G with no code in column B) .....	1E

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



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

H	I	I.1	J	K	L
Total taxable dividends paid by <b>connected</b> payer corporation (for tax year in column D)	Dividend refund of the <b>connected</b> payer corporation (for tax year in column D) <sup>note 2</sup>	Dividend refund of the <b>connected</b> payer corporation related to the <b>taxable dividend</b> received by the reporting corporation in the year from the <b>connected</b> payer corporation to the extent that such a dividend caused a dividend refund to the <b>connected</b> payer corporation from its eligible RDTOH <sup>notes 2 and 5</sup>	Part IV tax for eligible dividends. Dividends (from column G) <b>multiplied</b> by 38 1/3% <sup>note 3</sup>	Part IV tax before deductions. Dividends (from column F) <b>multiplied</b> by 38 1/3% <sup>note 4</sup>	Part IV tax before deductions on taxable dividends received from connected corporations <sup>notes 2 and 5</sup>
<b>250</b>	<b>260</b>		<b>265</b>	<b>275</b>	<b>280</b>

(enter amount on line 2E in Part 2)

Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B) .....	1F	
Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with no code in column B) .....	1G	
Subtotal (amount 1F <b>plus</b> amount 1G) .....	▶	1H
Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B) .....	1I	
Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with no code in column B) .....	1J	
Subtotal (amount 1I <b>plus</b> amount 1J) .....	▶	1K
Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H <b>minus</b> amount 1K) .....		1L

- 2 If the **connected** payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.
  - 3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to column I **divided** by column H **multiplied** by column G.
  - 4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to column I **divided** by column H **multiplied** by column F.
  - 5 For the purpose of calculating your eligible refundable dividend tax on hand (ERDTOH), Part IV tax on taxable dividends received from **connected** corporations (with a tax year starting after 2018) is equal to the sum of Part IV tax on eligible dividends and non-eligible dividends received from **connected** corporations to the extent that such dividends caused a dividend refund to those corporations from their ERDTOH.
- Part IV tax on eligible dividends received from **connected** corporations is equal to amount CC of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 465 of the **connected** payer corporation **multiplied** by column G.
- Part IV tax on non-eligible dividends received from **connected** corporations is equal to amount II of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 470 of the **connected** payer corporation **multiplied** by the difference between columns F and G.

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

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

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

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

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

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

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

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

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

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

**Part IV tax payable** (amount 2B minus amount 2D, if negative enter "0") ..... **360**  
(enter amount on line 712 of the T2 return)

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

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

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

**Part IV tax payable on taxable dividends received from connected corporations**  
(amount 2E minus amount 2F, if negative enter "0") ..... 2G  
(enter at amount C on page 7 of the T2 return)

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

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

**Part IV tax payable on taxable dividends received from non-connected corporations**  
(amount 2H minus amount 2I, if negative enter "0") ..... 2J  
(enter at amount D on page 7 of the T2 return)

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

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

	L	M	N				O	P				
	Name of recipient corporation with which you are connected	Business number	Tax year-end of recipient corporation in which the dividends in column O were received YYYYMMDD				Taxable dividends paid to recipient corporations with which you are connected	Eligible dividends included in column O				
	<b>400</b>	<b>410</b>	<b>420</b>				<b>430</b>	<b>440</b>				
1	Corporation Ville de Hawkesbury	106984644 RC0001	2	0	2	3	1	2	3	1	84,467	
		RC										
							84,467					
							(Total of column O)				(Total of column P)	

Total taxable dividends paid in the tax year to other than connected corporations ..... **450**

Eligible dividends included in line 450 ..... **455**

Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O plus line 450) ..... **460** 84,467

Total eligible dividends paid in the tax year (total of column P plus line 455) ..... **465**

Total non-eligible taxable dividends paid in the tax year (line 460 minus line 465) ..... **470** 84,467

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

Line 465 multiplied by 38 1/3% ..... 3A  
(enter at amount AA on page 7 of the T2 return)

Line 470 multiplied by 38 1/3% ..... 32,379 3B  
(enter at amount DD on page 7 of the T2 return)

**Eligible dividend** paid to connected corporation from column P .....

**Eligible dividend** included on line 450 .....

Total eligible dividend paid in the tax year (Carry forward to next year's line 300 in Schedule 53).....

Total **taxable dividends (other than eligible dividends)** paid in the tax year ..... 84,467

Total taxable dividends paid in the tax year..... 84,467

**Part 4 - Total dividends paid in the tax year**

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

Total dividends paid in the tax year .....	500	
Dividends paid out of capital dividend account .....	510	
Capital gains dividends .....	520	
Dividends paid on shares described in subsection 129(1.2) .....	530	
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year .....	540	
Subtotal (total of lines 510 to 540) .....		4A
<b>Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 minus amount 4A) .....</b>		<b>4B</b>



### Corporation Loss Continuity and Application

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

**Part 1 - Non-capital losses**

**Determination of current-year non-capital loss**

Net income (loss) for income tax purposes .....		<u>(179,609)</u>	1A
Net capital losses deducted in the year (enter as a positive amount) .....	1B		
Taxable dividends deductible under section 112 or subsection 113(1) or 138(6) .....	1C		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k) .....	1D		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) .....	1E		
Employer deduction in respect of non-qualified securities - Paragraph 110(1)(e) .....	1F		
Subtotal (total of amounts 1B to 1F) .....		<u>▶</u>	1G
Subtotal (amount 1A <b>minus</b> amount 1G; if positive, enter "0") .....		<u>(179,609)</u>	1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions .....			1I
Subtotal (amount 1H <b>minus</b> amount 1I) .....		<u>(179,609)</u>	1J
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss) .....			1K
Current-year non-capital loss (amount 1J <b>plus</b> amount 1K; if positive, enter "0") .....		<u>(179,609)</u>	1L
If amount 1L is negative, enter it on line 110 as a positive.			

**Continuity of non-capital losses and request for a carryback**

Non-capital loss at the end of the previous tax year .....		<u>78,352</u>	1M
Non-capital loss expired ( <b>note 1</b> ) .....	<b>100</b>		
Non-capital losses at the beginning of the tax year (amount 1M <b>minus</b> line 100) .....	<b>102</b>	<u>78,352</u>	▶ 78,352
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary ( <b>note 2</b> ) corporation .....	<b>105</b>		
Current-year non-capital loss (from amount 1L) .....	<b>110</b>	<u>179,609</u>	
Subtotal (line 105 <b>plus</b> line 110) .....		<u>179,609</u>	▶ 179,609 1N
Subtotal (line 102 <b>plus</b> amount 1N) .....		<u>257,961</u>	1O

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

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

**Part 1 - Non-capital losses (continued)**

Other adjustments (includes adjustments for an acquisition of control) .....	<b>150</b>	_____	
Section 80 – Adjustments for forgiven amounts .....	<b>140</b>	_____	
Non-capital losses of previous tax years applied in the current tax year .....	<b>130</b>	_____	
Enter line 130 on line 331 of the T2 Return.			
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax ( <b>note 3</b> ) .....	<b>135</b>	_____	
Subtotal (total of lines 150, 140, 130 and 135) .....		_____	1P
Non-capital losses before any request for a carryback (amount 1O <b>minus</b> amount 1P) .....		_____	257,961 1Q

**Request to carry back non-capital loss to:**

First previous tax year to reduce taxable income .....	<b>901</b>	_____	
Second previous tax year to reduce taxable income .....	<b>902</b>	_____	
Third previous tax year to reduce taxable income .....	<b>903</b>	_____	
First previous tax year to reduce taxable dividends subject to Part IV tax .....	<b>911</b>	_____	
Second previous tax year to reduce taxable dividends subject to Part IV tax .....	<b>912</b>	_____	
Third previous tax year to reduce taxable dividends subject to Part IV tax .....	<b>913</b>	_____	
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913) .....		_____	1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q <b>minus</b> amount 1R) .....	<b>180</b>	_____	257,961

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

**Part 2 - Capital losses**

**Continuity of capital losses and request for a carryback**

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

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

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

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

**Part 2 - Capital losses (continued)**

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

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

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

Note 8: Capital losses can be carried forward indefinitely.

**Part 3 - Farm losses**

**Continuity of farm losses and request for a carryback**

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

**Request to carry back farm loss to:**

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

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

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

**Part 4 - Restricted farm losses**

**Current-year restricted farm loss**

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

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

**Request to carry back restricted farm loss to:**

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

**Note**

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

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

**Part 5 - Listed personal property losses**

**Continuity of listed personal property loss and request for a carryback**

Listed personal property losses at the end of the previous tax year ..... 5A

Listed personal property loss expired (**note 12**) ..... **500** \_\_\_\_\_

Listed personal property losses at the beginning of the tax year (amount 5A **minus** line 500) ..... **502** \_\_\_\_\_ ▶ \_\_\_\_\_

Current-year listed personal property loss (from Schedule 6)..... **510** \_\_\_\_\_

Subtotal (line 502 **plus** line 510) \_\_\_\_\_ 5B

Listed personal property losses from previous tax years applied against listed personal property gains ..... **530** \_\_\_\_\_

Enter line 530 on line 655 of Schedule 6.

Other adjustments ..... **550** \_\_\_\_\_

Subtotal (line 530 **plus** line 550) \_\_\_\_\_ ▶ \_\_\_\_\_ 5C

Listed personal property losses remaining before any request for a carryback (amount 5B **minus** amount 5C) \_\_\_\_\_ 5D

**Request to carry back listed personal property loss to:**

First previous tax year to reduce listed personal property gains ..... **961** \_\_\_\_\_

Second previous tax year to reduce listed personal property gains ..... **962** \_\_\_\_\_

Third previous tax year to reduce listed personal property gains ..... **963** \_\_\_\_\_

Subtotal (total of lines 961 to 963) \_\_\_\_\_ ▶ \_\_\_\_\_ 5E

Closing balance of listed personal property losses to be carried forward to future tax years (amount 5D **minus** amount 5E) **580** \_\_\_\_\_

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

**Part 6 - Analysis of balance of losses by year of origin**

Year of origin ( <b>note 13</b> )	Non-capital losses ( <b>note 14</b> )	Farm losses	Restricted farm losses	Listed personal property losses
2023/12/31	179,609			
2022/12/31	78,352			
2021/12/31				
2020/12/31				
2019/12/31				
2018/12/31				
2017/12/31				
2016/12/31				
2015/12/31				
2014/12/31				
2013/12/31				
2012/12/31				
2011/12/31				
2010/12/31				
2009/12/31				
2008/12/31				
2007/12/31				
2006/12/31				
2005/12/31				
2004/12/31				
2003/12/31				
<b>Total</b>	257,961			

Note 13: Enter each loss by year of origin, starting with the current year and going down to the 20th previous year.

Note 14: A non-capital loss expires after 20 tax years and an allowable business investment loss becomes a net capital loss after 10 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, farming losses, and resource expenses	Column 4 <b>minus</b> column 5 (if negative, enter "0")	Current-year limited partnership losses (column 3 <b>minus</b> 6)
<b>600</b>	<b>602</b>	<b>604</b>	<b>606</b>	<b>608</b>		<b>620</b>
RZ						
<b>Total</b> (enter this amount on line 222 of Schedule 1)						

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

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

**Part 7 - Limited partnership losses (continued)**

**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 <b>plus</b> column 3 <b>plus</b> column 4 <b>minus</b> column 5)
<b>660</b>	<b>662</b>	<b>664</b>	<b>670</b>	<b>675</b>	<b>680</b>
RZ					
<b>Total</b> (enter this amount on line 335 of the T2 return)					

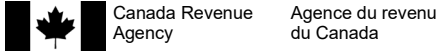
**Notes**  
 If you need more space, you can attach more schedules.

**Part 8 - Election under paragraph 88(1.1)(f)**

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

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the 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.



**Capital Cost Allowance (CCA)**

**Schedule 8**  
Code 2101  
**Protected B**  
when completed

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

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

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

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

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

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

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

1 Name of EPOP	2 Identification number See note 1		3 Percentage assigned under the agreement
<b>110</b>	<b>115</b>		<b>120</b>
HYDRO HAWKESBURY INC. / HAWKESBURY HYDRO INC.	890592611 RC0001	RZ	100.000000
Corporation de la Ville de Hawkesbury	106984644 RC0001	RZ	
	RC	RZ	
<b>Total</b>			<b>100.000000</b>

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

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

Note 2: If the total of column 3 is more than 100%, enter 0.

**Part 2 - CCA calculation**

1 Class number	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use)	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP)	5 Adjustments and transfers (show amounts that will reduce the undepreciated capital cost in brackets)	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	8 Proceeds of dispositions
See note 3 <b>200</b>	<b>201</b>	See note 4 <b>203</b>	See note 5 <b>232</b>	See note 6 <b>205</b>	See note 7 <b>221</b>	See note 8 <b>222</b>	See note 9 <b>207</b>
1 <b>1-a</b>	558,318						
2 <b>2-a</b>	165,024						
3 <b>8-a</b>	5,816						
4 <b>10-a</b>	14						
5 <b>1-b</b>	381,932						
6 <b>8-b</b>	3,262						
7 <b>45-a</b>	1						
8 <b>47-a</b>	4,237,161	41,076					
9 <b>50-a</b>	289	3,820	3,820				
10 <b>1.3-a</b>	37,079	1,995					
11 <b>14.1-a</b>	4,839						
12 <b>12-a</b>							
	5,393,735	46,891	3,820				

	9	10	11	11.1	12	13	14	15	16
Class number	Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4)	UCC (column 2 plus column 3 plus or minus column 5 minus column 8)	UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4)	IEL for this asset	Immediate expensing	Cost of acquisitions on remainder of Class (column 3 minus column 4 plus column 11 minus column 12)	Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56	Remaining UCC (column 10 minus column 12) (if negative, enter "0")	Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 minus column 9 plus column 6 minus column 13 plus column 14 minus column 7) (if negative, enter "0") See note 14
	<b>234</b>	See note 10	See note 11		See note 12		See note 13		
1	1-a	558,318						558,318	
2	2-a	165,024						165,024	
3	8-a	5,816						5,816	
4	10-a	14						14	
5	1-b	381,932						381,932	
6	8-b	3,262						3,262	
7	45-a	1						1	
8	47-a	4,278,237				41,076	41,076	4,278,237	
9	50-a	4,109	3,820	3,820	3,820			289	
10	1.3-a	39,074				1,995	1,995	39,074	
11	14.1-a	4,839						4,839	
12	12-a								
		5,440,626	3,820	3,820	3,820	43,071	43,071	5,436,806	

	17	18	19	19A	20	21	22	23	24
Class number	Net capital cost additions of AIIP and property included in Classes 54 to 56 acquired during the year (column 14 minus column 16) (if negative, enter "0")	UCC adjustment for AIIP and property included in Classes 54 to 56 acquired during the year (column 17 multiplied by the relevant factor)	UCC adjustment for property acquired during the year other than AIIP and property included in Classes 54 to 56 (0.5 multiplied by the result of column 13 minus column 14 minus column 6 plus column 7 minus column 8 plus column 9) (if negative, enter "0") See note 16	UCC (Base for CCA)	CCA rate %	Recapture of CCA	Terminal loss	CCA (for declining balance method, the result of column 15 plus column 18 minus column 19, multiplied by column 20, or a lower amount, plus column 12)	UCC at the end of the year (column 10 minus column 23)
		See note 15	See note 16		See note 17	See note 18	See note 19	See note 20	
			<b>224</b>		<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
1	1-a			558,318	4			22,333	535,985
2	2-a			165,024	6			9,901	155,123
3	8-a			5,816	20			1,163	4,653
4	10-a			14	30			4	10
5	1-b			381,932	4			15,277	366,655
6	8-b			3,262	20			652	2,610
7	45-a			1	45				1
8	47-a	41,076	20,538	4,298,775	8			343,902	3,934,335
9	50-a			289	55			3,979	130
10	1.3-a	1,995	998	40,072	6			2,404	36,670
11	14.1-a			4,839	7			500	4,339
12	12-a				100				

43,071	21,536		5,458,342
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Maximum CCA available for <b>other</b> assets		400,115
Optimized amount		400,115
Claim a different amount?	No	
Maximum CCA available for <b>Rental</b> assets		
Optimized amount		
Claim a different amount?	No	

**CCA claim for the year**

<b>Totals</b>		400,115	5,040,511
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Enter the total of column 21 on line 107 of Schedule 1.  
 Enter the total of column 22 on line 404 of Schedule 1.  
 Enter the total of column 23 on line 403 of Schedule 1.

- Note 3: If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101.
- Note 4: Include any property acquired in previous years that has now become available for use, net of any government assistance received or entitled to be received in the year from a government, municipality or other public authority, or a reduction of capital cost after the application of section 80. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.
- Note 5: A DIEP reported in column 4 is a property acquired after April 18, 2021, by a corporation that was a Canadian-controlled private corporation (CCPC) throughout the year, which became available for use in the tax year (before 2024) and was designated as such on or before the day that is 12 months after the filing-due date for the tax year to which the designation relates. It includes all capital property subject to the CCA rules, if certain conditions are met, other than property included in Classes 1 to 6, 14.1, 17, 47, 49, and 51. A property can only qualify as DIEP in the year in which it becomes available for use. See subsection 1104(3.1) of the Regulations for more information.
- Note 6: Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the UCC (column 10). Items that increase the UCC include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the UCC (show amounts that reduce the UCC in brackets) include assistance received or receivable during the year for a property, subsequent to its disposition, if such assistance would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f). See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.  
Also include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor at least 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.
- Note 7: Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 8: Include all amounts you have repaid during the year for any legally required repayment, made after the disposition of a corresponding property, of:  
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d) and  
- an inducement, assistance, or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b)  
Include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.
- Note 9: For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).  
If the cost of a zero-emission passenger vehicle (or a passenger vehicle that was, at any time, a DIEP) exceeds the prescribed amount, 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.
- Note 10: If the amount in column 5 (as shown in brackets) reduces the undepreciated capital cost, you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 11: The only amounts incurred before April 19, 2021, to be included in this column are certain inventory purchases from arm's length persons or partnerships where the conditions in paragraphs 1100(0.3)(a) to (c) are met.
- Note 12: Immediate expensing applies to DIEP included in column 11. The total immediate expensing for the tax year (total of column 12) should not exceed the lesser of:  
1. Immediate expensing limit: it is equal to one of the following 5 amounts, whichever is applicable:  
- \$1.5 million, if you are not associated with any other EPOP in the tax year  
- amount from line 125, if you are associated in the tax year with one or more EPOPs  
- nil, if the total of the percentages assigned in Part 1 is more than 100% or you are associated in the tax year with one or more EPOPs and have not filed an agreement in prescribed form as required under subsection 1104(3.3) of the Regulations  
- the amount determined under subsection 1104(3.5) of the Regulations for any second or subsequent tax years ending in a calendar year, if you have two or more tax years ending in the calendar year in which you are associated with another EPOP that has a tax year ending in that calendar year  
- any amount allocated by the minister under subsection 1104(3.4) of the Regulations  
The immediate expensing limit has to be prorated if your tax year is less than 365 days. You cannot carry forward any unused amount of the immediate expensing limit.  
2. UCC of the DIEP: total of column 11  
You have to maintain the CCPC status throughout the relevant tax year in order to claim the immediate expensing.
- Note 13: An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018, and that became available for use before 2028.  
Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2028.  
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that are acquired after March 1, 2020, and that became available for use before 2028.  
See the T2 Corporation Income Tax Guide for more information.
- Note 14: Include only elements from columns 6 and 7 that are not related to the DIEP.
- Note 15: The relevant factors for property of a class in Schedule II, that is AIIP or included in Classes 54 to 56, available for use before 2024 are:  
- 2 1/3 for property in Classes 43.1, 54, and 56  
- 1 1/2 for property in Class 55  
- 1 for property in Classes 43.2 and 53  
- 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 20 for additional information) and  
- 0.5 for all other property that is an AIIP

- Note 16: The UCC adjustment for property acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIPP, property included in Classes 54 to 56, and property to which the immediate expensing was applied). Include only elements from columns 6 and 7 that are not related to the DIEP.  
For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.
- Note 17: Enter a rate only if you are using the declining balance method. For any other method (for example, the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 23.
- Note 18: If the amount in column 10 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 10 in column 21 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1. However, they do apply to a passenger vehicle that was, at any time, a DIEP.
- Note 19: If no property is left in the class at the end of the tax year and there is still a positive amount in the column 10, you have a terminal loss. If applicable, enter the positive amount from column 10 in column 22. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1
  - property in Class 14.1, unless you have ceased carrying on the business to which it relates or
  - limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply, unless certain conditions are met
- Note 20: If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information.  
For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year.  
For AIPP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction)
  - Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
  - Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot, or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
  - Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
  - Class 41.2: use a 25% CCA rate. The additional allowance under paragraphs 1100(1)(y.2) (for single mine properties) and 1100(1)(ya.2) (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive
- The AIPP also apply to property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit as well as to industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the Income Tax Regulations for more detail.



**RELATED AND ASSOCIATED CORPORATIONS  
(2011 and later tax years)**

- 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
<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>	<b>550</b>	<b>600</b>	<b>650</b>	<b>700</b>
1. Corporation de la Ville de Hawkesbury		106984644 RC0001	1					
		RC						

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

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



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**SCHEDULE 23**  
Code 1901  
**Protected B**  
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### Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

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

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

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

- 1 - Associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 - CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be an Associated Corporation 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.

**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			
2	0	2	3

Is this an amended agreement for the above calendar year that is intended to replace agreement previously filed by any of the associated corporations listed below? ..... **075** 1 Yes  2 No

	1 Names of associated corporations	2 Business number of associated corporations	3 Association code	Tax year start	Tax year end	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated * \$
	<b>100</b>	<b>200</b>	<b>300</b>				<b>350</b>	<b>400</b>
1.	HYDRO HAWKESBURY INC. / HA	890592611RC0001	1	2023/01/01	2023/12/31	500,000	100.000000	500,000
2.	Corporation de la Ville de Hawkesb	106984644RC0001	1	2023/01/01	2023/12/31	500,000		
		RC						
Total								<b>A</b> 500,000

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

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

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

#### Special rules for business limit

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





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**Schedule 33**  
 Code 1402  
**Protected B**  
 when completed

**Taxable Capital Employed in Canada – Large Corporations**

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

**Part 1 - Capital**

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I .....	<b>101</b>		
Capital stock (or members' contributions if incorporated without share capital) .....	<b>103</b>	1,689,346	
Retained earnings .....	<b>104</b>	3,202,326	
Contributed surplus .....	<b>105</b>		
Any other surpluses .....	<b>106</b>		
Deferred unrealized foreign exchange gains .....	<b>107</b>		
All loans and advances to the corporation .....	<b>108</b>		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations .....	<b>109</b>		
Any dividends declared but not paid by the corporation before the end of the year .....	<b>110</b>		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year .....	<b>111</b>		
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below) .....	<b>112</b>		
Subtotal (add lines 101 to 112)		<u>4,891,672</u>	<u>4,891,672 A</u>

Deduct the following amounts:

Deferred tax debit balance at the end of the year .....	<b>121</b>		
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 .....	<b>122</b>		
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 .....	<b>123</b>		
Deferred unrealized foreign exchange losses at the end of the year .....	<b>124</b>		
Subtotal (add lines 121 to 124)			<u>B</u>

**Capital for the year** (amount A minus amount B) (if negative, enter "0") ..... **190** 4,891,672

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

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

**Part 3 - Taxable capital**

Capital for the year (line 190) .....	4,891,672	C
<b>Deduct:</b> Investment allowance for the year (line 490) .....		D
<b>Taxable capital for the year</b> (amount C minus amount D) (if negative, enter "0") .....	<b>500</b>	4,891,672

**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)	4,891,672	x	Taxable income earned in Canada	<b>610</b>	1,000	=	Taxable capital employed in Canada	<b>690</b>	4,891,672
			Taxable income		1,000				

- Notes:**
- Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
  - 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.
  - 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** \_\_\_\_\_

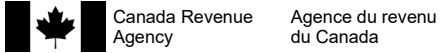
**Note:** Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

**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
<b>Deduct:</b> .....	<u>10,000,000</u>	G
Excess (amount F <b>minus</b> amount G) (if negative, enter "0") .....	=====	H
<b>Calculation for purposes of the small business deduction</b> (amount H x 0.225%) .....	=====	I

Enter this amount at line 415 of the T2 return.



**Shareholder Information**

**Schedule 50**  
Code 0602  
**Protected B**  
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- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number (business number, partnership account number, social insurance number or trust number) per shareholder.

	<b>100</b>	<b>200</b>	<b>200</b>	<b>300</b>	<b>350</b>	<b>400</b>	<b>500</b>
	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (T followed by 8 digits)	Percentage common shares	Percentage preferred shares
1.	THE CORPORATION OF THE TOWN OF HAWKESBURY	106984644 RC0001	RZ		T	100.000	
		RC	RZ		T		



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**General Rate Income Pool (GRIP) Calculation**

**SCHEDULE 53**  
 Code 1902  
**Protected B**  
 when completed

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- Credit unions are **not** required to complete this schedule.
- All legislative references are to the federal Income Tax Act and Income Tax Regulations.
- When an eligible dividend was paid in the tax year or there was a change in the GRIP balance, file a completed copy of this schedule with your T2 *Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.

**Part 1 - Calculation of general rate income pool (GRIP)**

GRIP at the end of the previous tax year .....	<b>100</b>	2,104,029
Taxable income for the year (DICs <input type="checkbox"/> enter "0") * .....	<b>110</b>	
Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least * .....	<b>130</b>	
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income * .....	<b>140</b>	
Subtotal (line 130 <b>plus</b> line 140) .....		A
Income taxable at the general corporate rate (line 110 <b>minus</b> amount A) (if negative enter "0") .....	<b>150</b>	
After-tax income (line 150 <b>multiplied</b> by 0.72 (the general rate factor for the tax year)) .....	<b>190</b>	
Eligible dividends received in the tax year .....	<b>200</b>	
Dividends deductible under section 113 received in the tax year .....	<b>210</b>	
Subtotal (line 200 <b>plus</b> line 210) .....		B
Becoming a CCPC (amount W5 in Part 4) .....	<b>220</b>	
Post-amalgamation (total of amounts E4 in Part 3 and amounts W5 in Part 4) .....	<b>230</b>	
Post-wind-up (total of amounts E4 in Part 3 and amounts W5 in Part 4) .....	<b>240</b>	
Subtotal ( <b>add</b> lines 220, 230, and 240) .....	<b>290</b>	
Subtotal ( <b>add</b> lines 100, 190, 290, and amount B) .....		2,104,029 C
Eligible dividends paid in the previous tax year .....	<b>300</b>	
Excessive eligible dividend designations made in the previous tax year .....	<b>310</b>	
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)		
Subtotal (line 300 <b>minus</b> line 310) .....		D
GRIP before adjustment for specified future tax consequences (amount C <b>minus</b> amount D) (amount can be negative) ..	<b>490</b>	2,104,029
Total GRIP adjustment for specified future tax consequences to previous tax years (amount L3 in Part 2) .....	<b>560</b>	
<b>GRIP at the end of the tax year</b> (line 490 <b>minus</b> line 560) .....	<b>590</b>	2,104,029

Enter this amount on line 160 of Schedule 55, Part III.1 Tax on Excessive Eligible Dividend Designations.

\* For lines 110, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (for example, flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.





Protected B when completed

**Part 4 - Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC**

Post-amalgamation  Post-wind-up  Becoming a CCPC

- Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year, or when a corporation has become a CCPC since the end of its previous tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.
- Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.
- Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.
- Calculate the GRIP addition of a corporation that became a CCPC since the end of its previous tax year.
- In the calculation below, **corporation** means a predecessor or a subsidiary, or a corporation that became a CCPC since the end of its previous tax year. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year ..... A5  
 The corporation's money on hand immediately before the end of its previous/last tax year ..... B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses .....	_____	C5
Net capital losses .....	_____	D5
Farm losses .....	_____	E5
Restricted farm losses .....	_____	F5
Limited partnership losses .....	_____	G5
Subtotal (add amounts C5 to G5) .....	=====▶	H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses .....	_____	I5
Net capital losses .....	_____	J5
Farm losses .....	_____	K5
Restricted farm losses .....	_____	L5
Limited partnership losses .....	_____	M5
Subtotal (add amounts I5 to M5) .....	=====▶	N5
Unused and unexpired losses at the end of the corporation's previous/last tax year (amount H5 minus amount N5) .....	=====▶	O5

Subtotal (add amounts A5, B5, and O5) ..... P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year ..... Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year ..... R5

All the corporation's reserves deducted in its previous/last tax year ..... S5

The corporation's capital dividend account immediately before the end of its previous/last tax year ..... T5

The corporation's low rate income pool immediately before the end of its previous/last tax year ..... U5

Subtotal (add amounts Q5 to U5) ..... V5

**GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount P5 minus amount V5) (if negative, enter "0")** ..... W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 on page 1 for a corporation becoming a CCPC;
- line 230 on page 1 for post-amalgamation; or
- line 240 on page 1 for post-wind-up.



**Protected B** when completed

**General rate factor for the tax year**

Complete this part to calculate the general rate factor for the tax year. Calculate your results to four decimal places.

$$\underline{0.72} \times \frac{\text{number of days in the tax year after December 31, 2014}}{\text{number of days in the tax year}} = \frac{\underline{365}}{\underline{365}} = \underline{\underline{0.7200}} \text{ AA}$$

**General rate factor for the tax year** (line AA) ..... 0.7200 BB

**Specified future tax consequences**

	First previous tax year	Second previous tax year	Third previous tax year
Taxable income before specified future tax consequences .....	_____ A	_____ A	_____ A
Specified future tax consequences			
Non-capital loss * .....	_____	_____	_____
Net capital loss .....	_____	_____	_____
Farm loss * .....	_____	_____	_____
Restricted farm loss * .....	_____	_____	_____
Other carryback and adjustments .....	_____	_____	_____
Total specified future tax consequences	_____ B	_____ B	_____ B
<b>Taxable income after specified future tax consequences (A-B)</b> .....	<u><u>_____</u></u> C	<u><u>_____</u></u> C	<u><u>_____</u></u> C

(Enter on G1, G2 and G3 in Part 2)

\* exclude amount of loss carryback to reduce taxable dividends subject to Part IV tax



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

**Do not use this area**

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

**Part 1 - Canadian-controlled private corporations and deposit insurance corporations**

Total taxable dividends paid in the tax year.....	<b>100</b>	84,467
Total eligible dividends paid in the tax year .....	<b>150</b>	
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0") .....	<b>160</b>	2,104,029
Excessive eligible dividend designation (line 150 <b>minus</b> line 160) .....		A
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends* .....	<b>180</b>	
Subtotal (amount A <b>minus</b> line 180)		B
<b>Part III.1 tax on excessive eligible dividend designations – CCPC or DIC</b> (amount B <b>multiplied</b> by 20%).....	<b>190</b>	

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

**Part 2 - Other corporations**

Total taxable dividends paid in the tax year.....	<b>200</b>	
Total excessive eligible dividend designations in the tax year (amount A of Schedule 54) .....		C
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends* .....	<b>280</b>	
Subtotal (amount C <b>minus</b> line 280)		D
<b>Part III.1 tax on excessive eligible dividend designations – Other corporations</b> (amount D <b>multiplied</b> by 20%).....	<b>290</b>	

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

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

# S3 Dividend Paid Worksheet

Use this worksheet to reconcile the dividends **paid** between GIFI and line 460 of Schedule 3 for the purposes of dividend refund.

	GIFI	Paid <sup>1</sup>	Line 460 Schedule 3	Difference
<b>Dividends paid and/or declared per GIFI</b>				
3700 Dividends declared .....	84,467	<input checked="" type="checkbox"/>		
3701 Cash dividends .....				
3702 Patronage dividends .....				
Deemed dividends .....				
<b>Total dividends paid/or declared per GIFI</b> .....	<u>84,467</u>			
<b>^ Deduct: Unpaid and non-taxable dividends:</b>				
Dividends declared but unpaid .....				
Capital dividend .....				
Capital gains dividend .....				
Dividends paid under subsection 129(1.2) .....				
Dividends paid to bankrupt controlling corporation .....				
<b>Total unpaid and non-taxable dividends</b> .....				
<b>^ Other</b>				
Unpaid prior year dividends paid in the year				
Other items .....				
Other items .....				
<b>Total other</b> .....				
<b>Total dividends paid</b> .....	<u>84,467</u>		<u>84,467</u>	<u>          </u>
(Must agree to line 460 in Schedule 3)				

**Notes:**

1. If the amount entered for the GIFI code 3700 (Dividends declared) has been paid, select the check box.

# T2 Summary for HYDRO HAWKESBURY INC. / HAWKESBURY HYDRO INC.

## Identification

Taxation year end: 2 | 0 | 2 | 3 | 1 | 2 | 3 | 1 | 850 TUPPER STREET Email \_\_\_\_\_  
 Business Number : 890592611 RC0001 Phone (613) 632-6689  
 HAWKESBURY O | N Website: \_\_\_\_\_  
 K | 6 | A | 3 | S | 7

## Tax and credits

(Effective corporate tax rate: %)

(Effective corporate tax rate (Part I tax): %)



### Taxable income

Net income or (loss) for tax purposes **300** (179,609)  
**Taxable income 360**

### Part I Tax

**Subtotal**  
**Part I tax payable**

### Summary of Tax and Credits

	<b>Total federal tax</b>	
Provincial or territorial jurisdiction	<b>750</b>	ON
	<b>Total tax payable</b>	<b>770</b>
<b>Deduct</b>		
Tax instalments paid	<b>840</b>	27,057
	<b>Total credits</b>	<b>890</b>
		27,057
	<b>Bal. owing (refund) in T2 return</b>	<b>(27,057)</b>

## Additional tax information

Refundable portion of Part I tax \_\_\_\_\_  
 Capital dividend account balance at year end \_\_\_\_\_  
 GRIP bal. at year end (Net of dividend pmt.) 2,104,029  
 LRIP bal. at year end \_\_\_\_\_  
 Dividend paid 84,467  
 Taxable dividend received \_\_\_\_\_  
 AAIL<sup>1</sup> in the current tax year \_\_\_\_\_  
 AAIL<sup>1</sup> in the previous tax year \_\_\_\_\_

Net-capital losses \_\_\_\_\_  
 Non-capital losses 257,961  
 Farm losses \_\_\_\_\_  
 Restricted farm losses \_\_\_\_\_  
 Unused charitable donation \_\_\_\_\_  
 Active business income \_\_\_\_\_  
 Business limit assigned (SCI)<sup>2</sup> \_\_\_\_\_  
 Business limit received (SCI)<sup>2</sup> \_\_\_\_\_

1. Adjusted Aggregate Investment Income
2. Specified Corporate Income

# Summary 5 Year Comparative of Schedule 1 for HYDRO HAWKESBURY INC. / HAWKESBURY HYDRO INC.

## Net Income for Tax Purposes

Tax year ending:	2023/12/31	2022/12/31	2021/12/31	2020/12/31	2019/12/31
From line 9999 from Schedule 125	(113,226)	180,507	104,661	268,805	241,116
<b>Add:</b>					
Provision For Income Taxes Current <b>101</b>		(67,055)	(16,785)	103,402	(229,311)
Provision For Income Taxes Deferred <b>102</b>	172,760	118,884	42,339	(71,950)	219,284
Interest and penalties on taxes <b>103</b>					
Amortization of tangible assets <b>104</b>	271,900	277,095	272,289	268,210	268,253
Amortization of natural resource assets <b>105</b>					
Amortization of intangible assets <b>106</b>					
Recapture of CCA from Schedule 8 <b>107</b>					
Gain on sale of eligible capital property					
Loss in equity of subsidiaries and affiliates <b>110</b>					
Loss on disposal of assets <b>111</b>	7,049	3,003		487	3,983
Charitable donations and gifts <b>112</b>					
Taxable Capital Gains <b>113</b>					
Political donations <b>114</b>					
Holdbacks <b>115</b>					
Deferred and prepaid expenses <b>116</b>					
Depreciation in inventory <b>117</b>					
Scientific research expenditures <b>118</b>					
Capitalized interest <b>119</b>					
Non-deductible club dues & fees <b>120</b>					
Non-deductible meals & entertainment <b>121</b>					
Non-deductible automobile expenses <b>122</b>					
Non-deductible life insurance expenses <b>123</b>					
Non-deductible company pension plans <b>124</b>					
Other reserves from S13 <b>125</b>					
Reserves from financial statements <b>126</b>					
Soft costs on construction and renovations <b>127</b>					
Non-deductible fines and penalties <b>128</b>					
Income or loss - partnerships <b>129</b>					
Amounts calculated under section 34.2 <b>130</b>					
Income shortfall adjustment <b>131</b>					
Income or loss - joint ventures <b>132</b>					
Accounts payable and accrual <b>201</b>					
Accounts receivable and prepaid <b>202</b>					
Accrual inventory - opening <b>203</b>					
Accrued dividends - prior year <b>204</b>					
Capital items expensed <b>206</b>					
Debt issue expense <b>208</b>					
Deemed dividend income <b>209</b>					
Deemed interest on loans to non-residents <b>210</b>					
Deemed interest received <b>211</b>					
Development expenses claimed <b>212</b>					
Dividend stop-loss adjustment <b>213</b>					
Dividends credited to investments <b>214</b>					
Exploration expenses claimed in year <b>215</b>					
Financing fees deducted in books <b>216</b>					
Foreign accrual property income <b>217</b>					
Foreign affiliate property income <b>218</b>					
Foreign exchange inc. in retained earnings <b>219</b>					
Gain on settlement of debt <b>220</b>					
Interest paid on income debentures <b>221</b>					
Limited partnership losses (Schedule 4) <b>222</b>					

Loss from international banking centres					
Mandatory inventory adjustment – current	224				
Non-deductible advertising	226				
Non-deductible interest	227				
Non-deductible legal and accounting fees	228				
Optional value of inventory – current	229				
Other expenses from financial statements	230				
Recapture of SR&ED expenditures	231				
Resource amounts deducted	232				
Restricted farm losses – current year	233				
Sales tax assessments	234				
Share issue expense	235				
Write-down of capital property	236				
Qualifying environmental amounts	237				
Contractor's completion method adjust.	238				
Taxable/non-deductible other comp. inc.	239				
Book loss on joint ventures	248				
Book loss on partnerships	249				
Other additions (total)	296				560,717
Total of lines 101 to 296		451,709	331,927	297,843	860,866

**Deduct:**

Tax year ending:	2023/12/31	2022/12/31	2021/12/31	2020/12/31	2019/12/31
Gain on disposal of assets per statements	401				
Non-taxable dividend under section 83	402				
Capital cost allowance from Schedule 8	403	400,115	438,652	455,679	469,665
Terminal loss from Schedule 8	404				507,670
Cumulative eligible capital deduction					
Allowable business investment loss	406				
For. non-bus. tax deduct subsection 20(12)	407				
Holdbacks	408				
Deferred and prepaid expenses	409				
Depreciation in inventory – end prior year	410				
SR&ED expenditures claimed in the year	411				
Other reserves on line 280	413				
Reserves from financial statements	414				
Patronage dividend deduction	416				
Contributions to deferred income plans	417				
Incorporation expenses under paragraph 20(1)(b)	418				
Accounts payable and accruals	300				
Accounts receivable and prepaid	301				
Accrual inventory – closing	302				
Accrued dividends – current year	303				
Bad Debt	304				
Equity in income from subsidiaries/affil.	306				
Exempt income under section 81	307				
Income from international banking centres					
Mandatory inventory adjustment	309				
Contributions to a qualifying enviro. trust	310				
Non-Canadian advertising – broadcasting	311				
Non-Canadian advertising – printed	312				
Optional value of inventory	313				
Other income from financial statements	314				

Payments made for allocations	<b>315</b>				
Contractor's completion method adjust.	<b>316</b>				
Non-taxable other comprehensive income	<b>347</b>				
Book income on joint venture	<b>348</b>				
Book income on partnership	<b>349</b>				
Canadian development expenses	<b>340</b>				
Canadian exploration expenses	<b>341</b>				
Canadian oil and gas property expenses	<b>342</b>				
Depletion from Schedule 12	<b>344</b>				
Foreign explore & development expenses	<b>345</b>				
Other deductions	<b>396</b>	117,977	812,140	28,367	860,977
<b>Total of lines 401 to 396</b>		518,092	1,250,792	484,046	469,665
<b>Net income or (loss) for tax purposes</b>		(179,609)	(738,358)	(81,542)	660,006

# Summary 5 Year Comparative for HYDRO HAWKESBURY INC. / HAWKESBURY HYDRO INC.

## Taxable Income

Tax year ending:	2023/12/31	2022/12/31	2021/12/31	2020/12/31	2019/12/31
Net income or (loss) for tax purposes	(179,609)	(738,358)	(81,542)	660,006	(865,322)
<b>Deduct</b>					
Charitable donations from Schedule 2	311				
Gifts to Canada, a province, or a territory					
Cultural gifts from Schedule 2	313				
Ecological gifts from Schedule 2	314				
Gift of medicine from Schedule 2	315				
Taxable dividends deductible	320				
Part VI.1 tax deduction	325				
Non-capital losses of previous tax years	331				
Net-capital losses of previous tax years	332				
Restricted farm losses of previous years	333				
Farm losses of previous tax years	334				
Limited partner losses of previous years	335				
Taxable capital gains from a central CU	340				
Prospector's and grubstaker's shares	350				
Employer deduction for non-qualified securities	352				
<b>Subtotal</b>					
<b>Subtotal</b> (if negative, enter "0")				660,006	
<b>Add</b>					
Section 110.5 or 115(1)(a)(vii) additions	355				
<b>Taxable income</b>	360			660,006	
Income exempt under paragraph 149(1)(t)	370				
<b>Taxable income</b> (net of exempt income)*					
* for tax years starting before 2019					

## Active business income

				660,006	
--	--	--	--	---------	--

## Part I Tax

Tax year ending:	2023/12/31	2022/12/31	2021/12/31	2020/12/31	2019/12/31
Base amount Part I tax	550			250,802	
Personal services business income tax	560				
Additional tax on banks and life insurers	565				
Recapture of investment tax credit	602				
Refundable tax on investment income	604				
<b>Subtotal</b>				250,802	
<b>Deduct</b>					
Small business deduction from line 430				88,591	
Federal tax abatement	608			66,001	
Manufacturing/processing profits deduction	616				
Investment corporation deduction	620				
Additional deduction – credit unions					
Federal foreign non-business income cred.	632				
Federal foreign business income tax credit	636				
General tax reduction for CCPCs (M)	638			25,186	
General tax reduction (X)	639				
Federal logging tax credit	640				
Eligible Canadian bank deduction	641				
Federal environmental trust tax credit	648				
Investment tax credit	652				
<b>Subtotal</b>				179,778	
<b>Part I tax payable</b>				71,024	



**Summary of Tax and Credits**

	Tax year ending:	2023/12/31	2022/12/31	2021/12/31	2020/12/31	2019/12/31
Part I tax payable	<b>700</b>				71,024	
Part II surtax payable						
Part III.1 tax payable	<b>710</b>					
Part IV tax payable	<b>712</b>					
Part IV.1 tax payable	<b>716</b>					
Part VI tax payable	<b>720</b>					
Part VI.1 tax payable	<b>724</b>					
Part VI.2 tax payable	<b>725</b>					
Part XIII.1 tax payable	<b>727</b>					
Part XIV tax payable	<b>728</b>					
<b>Total federal tax</b>					71,024	
Net provincial or territorial tax payable	<b>760</b>				37,201	
<b>Total tax payable</b>	<b>770</b>				108,225	
<b>Deduct</b>						
Investment tax credit refund	<b>780</b>					
Dividend refund	<b>784</b>					
Federal capital gains refund	<b>788</b>					
Federal environmental trust credit refund	<b>792</b>					
Return of fuel charge proceeds to farmers tax credit	<b>795</b>					
Canadian film or video production refund	<b>796</b>					
Film/video prod'n services tax credit refund	<b>797</b>					
Canadian journalism labour tax credit	<b>798</b>					
Small businesses air quality improvement tax credit	<b>799</b>					
Tax withheld at source	<b>800</b>					
Provincial/territorial cap. gains refund	<b>808</b>					
Provincial and territorial refundable credits	<b>812</b>					
Tax instalments paid	<b>840</b>	27,057	54,111		61,725	
<b>Total credits</b>	<b>890</b>	27,057	54,111		61,725	
<b>Balance owing (refund)</b>		(27,057)	(54,111)		46,500	