Exhibit 6:

REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY

Exhibit 6: Revenue Requirement And Revenue Deficiency Or Sufficiency

Tab 1 (of 4): Revenue Requirement and Revenue Deficiency or Sufficiency

REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY

Overview

GSHi's current distribution rates are based on Board-approved rates effective May 1, 2024, through the IRM proceeding (EB-2023-0024). In accordance with the Chapter 2 Filing Requirements, the utility income calculated in this exhibit is based on both the existing Board-approved rates and the proposed 2025 Test Year rates. The calculations in this exhibit exclude any costs or revenues related to the cost of power, as well as balances in deferral and variance accounts. The OEB's Revenue Requirement Work Form (RRWF) is included as Exhibit 6, Tab 2, Schedule 1, Attachment 1 and has also been filed in Excel format in conjunction with this application.

Determination of Net Income

GSHi has determined that its 2025 Net Income is $4,686,435. Table 1 below provides a detailed net income calculation for the 2025 Test Year.

Table 1 – Net Income

Description	Amount
Operating Revenues:	
Distribution Revenue	32,687,699
Other Revenue	2,069,704
Total Revenue	34,757,403
Operating Expenses	
OM&A Expenses	20,224,828
Depreciation/Amortization	5,354,146
Property Taxes	341,174
Deemed Interest Expense	3,316,123
Total Cost and Expenses	29,236,271
Net Income before Income Taxes	5,521,132
Less: Income Taxes (grossed up)	834,697
Net Utility Income	4,686,435

Statement of Rate Base

A summary of GSHi's Rate Base for the 2025 Test Year, calculated in accordance with the Chapter 2 Filing Requirements, is included as Table 2 below. GSHi's proposed rate base is $127,210,501. For further details on GSHi's proposed rate base, please see Exhibit 2.

Table 2 – Statement of Rate Base

Description	Amount
Fixed Assets	
Opening Net Fixed Assets	114,942,358
Closing Net Fixed Assets	120,282,179
Average Net Fixed Assets	117,612,268
Working Capital Allowance	
Controllable Expenses	20,566,002
Cost of Power	107,410,437
Working Capital Base	127,976,439
Working Capital %	7.50%
Allowance for Working Capital	9,598,233
Total Rate Base	127,210,501

Actual Return on Rate Base

GSHi's comparison of Utility Return on Rate Base calculated with existing 2024 rates and proposed 2025 rates is included as Table 3 below. If GSHi's rates remain unchanged from the rates currently being charged in 2024, GSHi's actual return would be 3.48%.

Table 3 – GSHi's Actual Utility Return on Rate Base

Description	2025 Test Year @ Existing Rates	2025 Test Year @ Proposed Rates
Actual Return on Rate Base		
Rate Base	127,210,501	127,210,501
Interest Expense	3,316,123	3,316,123
Net Income	1,108,172	4,686,435
Total Actual Return on Rate Base	4,424,295	8,002,558
Actual Return on Rate Base %	3.48%	6.29%
Required Return on Rate Base		
Rate Base	127,210,501	127,210,501
Return Rates:		
Return on Debt (Weighted)	4.34%	4.34%
Return on Equity	9.21%	9.21%
Deemed Interest Expense	3,316,123	3,316,123
Return on Equity	4,686,435	4,686,435
Total Required Return on Rate Base	8,002,558	8,002,558
Expected Return on Rate Base %	6.29%	6.29%

Indicated and Requested Rate of Return

GSHi's indicated rate of return is 3.48% if rates remain unchanged. GSHi is requesting a rate of return of 6.29%, in line with the 2024 cost of capital parameters. GSHi acknowledges that these figures will need to be updated once the Board releases the updated cost of capital parameters for 2025 in the fall of 2024.

Deficiency in Revenue

Included as Table 4 below, GSHi has calculated its 2025 Revenue Deficiency and its 2025 Gross Deficiency in Revenue.

Table 4 – Revenue Deficiency Calculation

Description	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		4,412,804
Distribution Revenue	28,274,894	28,274,895
Other Operating Revenue Offsets - net	2,069,704	2,069,704
Total Revenue	**30,344,598**	**34,757,403**
Operating Expenses	25,920,148	25,920,148
Deemed Interest Expense	3,316,123	3,316,123
Total Cost and Expenses	**29,236,271**	**29,236,271**
Utility Income Before Income Taxes	1,108,327	5,521,132
Tax Adjustments to Accounting Income	- 2,371,335	- 2,371,335
Taxable Income/(Loss)	**- 1,263,008**	**3,149,797**
Income Tax Rate	26.5%	26.5%
Income Tax on Taxable Income	-	834,696
Income Tax Credits	-	-
Utility Net Income/(Loss)	**1,108,327**	**4,686,436**
Utility Rate Base	127,210,501	127,210,501
Deemed Equity Portion of Rate Base	50,884,201	50,884,201
Income/(Equity Portion of Rate Base)	2.18%	9.21%
Target Return - Equity on Rate Base	9.21%	9.21%
Deficiency/Sufficiency in Reutrn on Equity	**-7.03%**	**0.00%**
Indicated Rate of Return	3.48%	6.29%
Requested Rate of Return on Rate Base	6.29%	6.29%
Deficiency/Sufficiency in Rate of Return	**-2.81%**	**0.00%**
Target Return on Equity	4,686,435	4,686,435
Revenue Deficiency/(Sufficiency)	3,578,108	-
Gross Revenue Deficiency/(Sufficiency)	4,412,804	

Impacts of Change in Methodology

GSHi confirms that there have been no changes in accounting standards, policies, or other methodologies that have impacted the overall revenue deficiency or the individual cost drivers contributing to it.

Exhibit 6: Revenue Requirement And Revenue Deficiency Or Sufficiency

Tab 2 (of 4): Revenue Requirement Work Form Overview

REVENUE REQUIREMENT WORK FORM OVERVIEW

The Revenue Requirement Work Form (RRWF) is an essential tool provided by the Ontario Energy Board (OEB) for summarizing the financial aspects of a rate application. As a live Excel spreadsheet, it provides a high-level overview of the key numbers and tracks changes to the proposed revenue requirement throughout the application process. Distributors must keep the "Summary of Proposed Changes" tab updated to reflect cumulative changes during the review.

While the RRWF summarizes important data, such as customer forecasts, cost allocation, and rate design, it is not a substitute for more detailed models used in the application. Instead, it serves as a checkpoint to ensure the proposed revenue requirement aligns with the rates needed for recovery. Distributors must also verify that all numbers in the RRWF match those in other exhibits to maintain consistency in the filing.

<u>Revenue Requirement Workform</u>

The Revenue Requirement Workform is included as an attachment. Please refer to Exhibit 6, Tab 2, Schedule 1, Attachment 1 for a PDF version. Additionally, the workform has been filed as a live Excel spreadsheet with this application.

<u>Changes to the OEB Revenue Requirement Workform Model Template</u>

In the course of preparing this application, GSHi made the following adjustments to the OEB's Revenue Requirement Workform model template to align with specific requirements of our rate calculations:

1. **Revenue Requirement Workform, Tab 8 "Rev_Def_Suff"**
    - **Cell F52** was modified to calculate a **gross revenue deficiency** that incorporates the **taxable loss position**. This change ensures that the taxable loss calculated in the PILs model is accurately reflected in the revenue deficiency calculation.

2. **Revenue Requirement Workform, Tab 13 "Rate Design"**
    - The calculation of the **Monthly Service Charge (MSC)** in **Column AA** was modified to incorporate the calculation of **30-day rates**, reflecting GSHi's billing system methodology. Refer to Exhibit 8, Tab 2, Schedule 1 for additional information on GSHi's proposed 30-day rates.
    - The calculation of **MSC Revenues (Column AK)** was also updated to ensure the 30-day rate approach is accurately applied to the revenue projections, maintaining consistency with the billing process.

These adjustments are intended to ensure accuracy in GSHi's revenue calculations and reflect the unique aspects of our billing system, particularly in relation to the 30-day fixed rate structure.

<u>Revenue Analysis & Summary of Drivers of Test Year Deficiency</u>

Table 1 below summarized the contributors to the revenue deficiency by revenue requirement category. The variance column represents the revenue requirement components for the deficiency of $4,412,804.

Table 1 – Revenue Analysis and Variance in Revenue Requirement

Description	2020 Board Approved	2024 Bridge Year Forecast (Existing Rates)	2025 Test Year (Existing Rates)	2025 Test Year Revenue Requirement	Variance (Test vs. 2025 @ Existing)
	A	B	C	D	(D - C)
Distribution Revenue Requirement					
OM&A	$16,237,777	$18,247,092	$18,253,495	$20,224,828	$1,971,333
Amortization/Depreciation	$4,333,632	$4,869,890	$4,871,598	$5,354,146	$482,548
Property Taxes	$268,803	$302,066	$302,172	$341,174	$39,002
Income Taxes (Grossed up)	$300,042	$337,170	$337,288	$834,697	$497,408
Deemed Interest Expense	$1,974,425	$2,218,747	$2,219,525	$3,316,123	$1,096,598
Return on Deemed Equity	$3,590,631	$4,034,947	$4,036,363	$4,686,435	$650,072
Total Distribution Revenue Requirement	$26,705,310	$30,009,912	$30,020,442	$34,757,403	$4,736,961
Less: Other Revenue Reduction	-$1,552,787	-$1,744,934	-$1,745,546	-$2,069,704	-$324,158
Total Distribution Revenue from Customers	$25,152,523	$28,264,978	$28,274,895	$32,687,699	$4,412,803
Rate Base	$105,358,878	$105,358,878	$105,358,878	$127,210,501	$21,851,623

Note: Column B and C have been calculated by determining projected distribution revenue and allocating the projection proportionately based on 2020 Board Approved amounts.

The revenue deficiency of $4,412,803 for the 2025 Test Year is principally a result of increases in the following components:

- OM&A expenses ($1,971,333 variance): Expense increases over 2020 are discussed in detail in Exhibit 4 of this application. Increases in OM&A were driven by several factors, including an increase in the FTE complement (in both GSHPi and GSHi), as well as increased costs related to vegetation management and other contract labor.

- Deemed interest expense ($1,096,598 variance): Deemed interest expense is calculated based on the rate base and the applicable interest rates for short- and long-term debt, applied to the deemed short- and long-term debt. The primary drivers of this increase are a higher rate base, which results in higher deemed debt, and increased short- and long-term debt rates. For more details, see Exhibit 5, Cost of Capital and Capital Structure.

- Increase in rate base ($21,851,623 variance): The rate base has increased to $127,210,501 from $105,358,878, representing a 21% increase. The most significant driver behind this growth is the increase in GSHi's net fixed assets. A detailed discussion of GSHi's rate base can be found in Exhibit 2.

Attachment 1 (of 1):

Revenue Requirement Work Form

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Version 1.10

Utility Name	Greater Sudbury Hydro Inc.
Service Territory	*City of Sudbury and West Nipissing*
Assigned EB Number	EB-2024-0026
Name and Title	Tiija Luttrell, Manager - Regulatory
Phone Number	705-675-0514
Email Address	regulatoryaffairs@gsuinc.ca
Test Year	2025
Bridge Year	2024
Last Rebasing Year	2020

The RRWF has been enhanced commencing with 2017 rate applications to provide estimated base distribution rates. The enhanced RRWF is not intended to replace a utility's formal rate generator model which should continue to be the source of the proposed rates as well as the final ones at the conclusion of the proceeding. The load forecasting addition made to this model is intended to be demonstrative only and does not replace the information filed in the utility's application. In an effort to minimize the incremental work required from utilities, the cost allocation and rate design additions to this model do in fact replace former appendices that were required to be filed as part of the cost of service (Chapter 2) filing requirements.

Commencing with 2023 rate applications, the RRWF has been enhanced with an additional column, so that two stages of processing of an application (e.g. interrogatory responses and settlement agreement) between the initial application filing and the OEB decision and draft rate order ("Per Board Decision") can be used. Functionality of the RRWF is the same as in previous versions of the RRWF. (May 2022)

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Table of Contents

Notes:

(1)	Pale green cells represent inputs
(2)	Pale green boxes at the bottom of each page are for additional notes
(3)	Pale blue cells represent drop-down lists
(4)	***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***
(5)	***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Data Input Sheet (1)

		Initial Application	(2)	Adjustments	Interrogatory Responses	(6)	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision	
1	**Rate Base**											
	Gross Fixed Assets (average)	$ 258,098,622		$ -	$ 258,098,622			$ 258,098,622			$ 258,098,622	
	Accumulated Depreciation (average)	($140,486,353)	(5)	$ -	$ (140,486,353)			$ (140,486,353)			$ (140,486,353)	
	Allowance for Working Capital:											
	Controllable Expenses	$20,566,002		$ -	$ 20,566,002			$ 20,566,002			$ 20,566,002	
	Cost of Power	$107,410,437		$ -	$ 107,410,437			$ 107,410,437			$ 107,410,437	
	Working Capital Rate (%)	7.50%	(9)			(9)			(9)			(9)
2	**Utility Income**											
	Operating Revenues:											
	Distribution Revenue at Current Rates	$28,274,894										
	Distribution Revenue at Proposed Rates	$32,687,699										
	Other Revenue:											
	Specific Service Charges	$225,087										
	Late Payment Charges	$200,000										
	Other Distribution Revenue	$1,968,836										
	Other Income and Deductions	($324,219)										
	Total Revenue Offsets	$2,069,704	(7)									
	Operating Expenses:											
	OM+A Expenses	$20,224,828		$ -	$ 20,224,828			$20,224,828			$ 20,224,828	
	Depreciation/Amortization	$5,354,146		$ -	$ 5,354,146			$5,354,146			$ 5,354,146	
	Property taxes	$341,174		$ -	$ 341,174			$341,174			$ 341,174	
	Other expenses			$ -								
3	**Taxes/PILs**											
	Taxable Income:											
	Adjustments required to arrive at taxable income	($2,371,335)	(3)									
	Utility Income Taxes and Rates:											
	Income taxes (not grossed up)	$613,502										
	Income taxes (grossed up)	$834,697										
	Federal tax (%)	15.00%										
	Provincial tax (%)	11.50%										
	Income Tax Credits											
4	**Capitalization/Cost of Capital**											
	Capital Structure:											
	Long-term debt Capitalization Ratio (%)	56.0%										
	Short-term debt Capitalization Ratio (%)	4.0%	(8)			(8)			(8)			(8)
	Common Equity Capitalization Ratio (%	40.0%										
	Prefered Shares Capitalization Ratio (%)											
		100.0%										
	Cost of Capital											
	Long-term debt Cost Rate (%)	4.21%										
	Short-term debt Cost Rate (%)	6.23%										
	Common Equity Cost Rate (%)	9.21%										
	Prefered Shares Cost Rate (%)											

Notes:

General Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

(1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.

(2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I

(3) Net of addbacks and deductions to arrive at taxable income.

(4) Average of Gross Fixed Assets at beginning and end of the Test Year

(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.

(6) Select option from drop-down list by clicking on cell M12 or U12. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected. Beginning for 2023,two intermediate stages can be shown (e.g., Interrogatory Responses and Settlement Agreement).

(7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement

(8) **4.0%** unless an Applicant has proposed or been approved another amount.

(9) The default Working Capital Allowance factor is **7.5%** (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, a WCA factor based on lead-lag study with supporting rationale could be provided.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Rate Base and Working Capital

Rate Base

Line No.	Particulars		Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(2)	$258,098,622	$ -	$258,098,622	$ -	$258,098,622	$ -	$258,098,622
2	Accumulated Depreciation (average)	(2)	($140,486,353)	$ -	($140,486,353)	$ -	($140,486,353)	$ -	($140,486,353)
3	Net Fixed Assets (average)	(2)	$117,612,268	$ -	$117,612,268	$ -	$117,612,268	$ -	$117,612,268
4	Allowance for Working Capital	(1)	$9,598,233	($9,598,233)	$ -	$ -	$ -	$ -	$ -
5	**Total Rate Base**		$127,210,501	($9,598,233)	$117,612,268	$ -	$117,612,268	$ -	$117,612,268

(1) Allowance for Working Capital - Derivation

Line No.	Particulars		Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
6	Controllable Expenses		$20,566,002	$ -	$20,566,002	$ -	$20,566,002	$ -	$20,566,002
7	Cost of Power		$107,410,437	$ -	$107,410,437	$ -	$107,410,437	$ -	$107,410,437
8	Working Capital Base		$127,976,439	$ -	$127,976,439	$ -	$127,976,439	$ -	$127,976,439
9	Working Capital Rate %	(1)	7.50%	-7.50%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Working Capital Allowance		$9,598,233	($9,598,233)	$ -	$ -	$ -	$ -	$ -

Notes

(1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.

(2) Average of opening and closing balances for the year.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:							
1	Distribution Revenue (at Proposed Rates)	$32,687,699	($32,687,699)	$ -	$ -	$ -	$ -	$ -
2	Other Revenue (1)	$2,069,704	($2,069,704)	$ -	$ -	$ -	$ -	$ -
3	Total Operating Revenues	$34,757,403	($34,757,403)	$ -	$ -	$ -	$ -	$ -
	Operating Expenses:							
4	OM+A Expenses	$20,224,828	$ -	$20,224,828	$ -	$20,224,828	$ -	$20,224,828
5	Depreciation/Amortization	$5,354,146	$ -	$5,354,146	$ -	$5,354,146	$ -	$5,354,146
6	Property taxes	$341,174	$ -	$341,174	$ -	$341,174	$ -	$341,174
7	Capital taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8	Other expense	$ -	$ -		$ -		$ -	
9	Subtotal (lines 4 to 8)	$25,920,148	$ -	$25,920,148	$ -	$25,920,148	$ -	$25,920,148
10	Deemed Interest Expense	$3,316,123	($3,316,123)	$ -	$ -	$ -	$ -	$ -
11	Total Expenses (lines 9 to 10)	$29,236,272	($3,316,123)	$25,920,148	$ -	$25,920,148	$ -	$25,920,148
12	**Utility income before income taxes**	$5,521,131	($31,441,280)	($25,920,148)	$ -	($25,920,148)	$ -	($25,920,148)
13	Income taxes (grossed-up)	$834,697	$ -	$834,697	$ -	$834,697	$ -	$834,697
14	**Utility net income**	$4,686,435	($31,441,280)	($26,754,845)	$ -	($26,754,845)	$ -	($26,754,845)

Notes

Other Revenues / Revenue Offsets

Note	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
(1)	Specific Service Charges	$225,087		$ -		$ -		$ -
	Late Payment Charges	$200,000		$ -		$ -		$ -
	Other Distribution Revenue	$1,968,836		$ -		$ -		$ -
	Other Income and Deductions	($324,219)		$ -		$ -		$ -
	Total Revenue Offsets	$2,069,704	$ -	$ -	$ -	$ -	$ -	$ -

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Taxes/PILs

Line No.	Particulars	Application	Interrogatory Responses	Settlement Agreement	Per Board Decision
	Determination of Taxable Income				
1	Utility net income before taxes	$4,686,435	$ -	$ -	$ -
2	Adjustments required to arrive at taxable utility income	($2,371,335)	$ -	$ -	$ -
3	Taxable income	$2,315,100	$ -	$ -	$ -
	Calculation of Utility income Taxes				
4	Income taxes	$613,502	$613,502	$613,502	$613,502
6	Total taxes	$613,502	$613,502	$613,502	$613,502
7	Gross-up of Income Taxes	$221,195	$221,195	$221,195	$221,195
8	Grossed-up Income Taxes	$834,697	$834,697	$834,697	$834,697
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$834,697	$834,697	$834,697	$834,697
10	Other tax Credits	$ -	$ -	$ -	$ -
	Tax Rates				
11	Federal tax (%)	15.00%	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.50%	11.50%	11.50%	11.50%
13	Total tax rate (%)	26.50%	26.50%	26.50%	26.50%

Notes

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Initial Application			
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$71,237,881	4.21%	$2,999,115
2	Short-term Debt	4.00%	$5,088,420	6.23%	$317,009
3	**Total Debt**	60.00%	$76,326,301	4.34%	$3,316,123
	Equity				
4	Common Equity	40.00%	$50,884,201	9.21%	$4,686,435
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$50,884,201	9.21%	$4,686,435
7	**Total**	100.00%	$127,210,501	6.29%	$8,002,558
		Interrogatory Responses			
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	0.00%	$ -	0.00%	$ -
2	Short-term Debt	0.00%	$ -	0.00%	$ -
3	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
4	Common Equity	0.00%	$ -	0.00%	$ -
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	0.00%	$ -	0.00%	$ -
7	**Total**	0.00%	$117,612,268	0.00%	$ -
		Settlement Agreement			
		(%)	($)	(%)	($)
	Debt				
8	Long-term Debt	0.00%	$ -	4.21%	$ -
9	Short-term Debt	0.00%	$ -	6.23%	$ -
10	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
11	Common Equity	0.00%	$ -	9.21%	$ -
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	0.00%	$ -	0.00%	$ -
14	**Total**	0.00%	$117,612,268	0.00%	$ -
		Per Board Decision			
		(%)	($)	(%)	($)
	Debt				
8	Long-term Debt	0.00%	$ -	4.21%	$ -
9	Short-term Debt	0.00%	$ -	6.23%	$ -
10	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
11	Common Equity	0.00%	$ -	9.21%	$ -
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	0.00%	$ -	0.00%	$ -
14	**Total**	0.00%	$117,612,268	0.00%	$ -

Notes

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application: At Current Approved Rates	Initial Application: At Proposed Rates	Interrogatory Responses: At Current Approved Rates	Interrogatory Responses: At Proposed Rates	Settlement Agreement: At Current Approved Rates	Settlement Agreement: At Proposed Rates	Per Board Decision: At Current Approved Rates	Per Board Decision: At Proposed Rates
1	Revenue Deficiency from Below		$4,412,804		($3,203,736)		$35,265,508		$35,265,508
2	Distribution Revenue	$28,274,894	$28,274,895	$28,274,894	$35,891,435	$ -	($35,265,508)	$ -	($35,265,508)
3	Other Operating Revenue Offsets - net	$2,069,704	$2,069,704	$ -	$ -	$ -	$ -	$ -	$ -
4	**Total Revenue**	$30,344,598	$34,757,403	$28,274,894	$32,687,699	$ -	$ -	$ -	$ -
5	Operating Expenses	$25,920,148	$25,920,148	$25,920,148	$25,920,148	$25,920,148	$25,920,148	$25,920,148	$25,920,148
6	Deemed Interest Expense	$3,316,123	$3,316,123	$ -	$ -	$ -	$ -	$ -	$ -
8	**Total Cost and Expenses**	$29,236,272	$29,236,272	$25,920,148	$25,920,148	$25,920,148	$25,920,148	$25,920,148	$25,920,148
9	**Utility Income Before Income Taxes**	$1,108,326	$5,521,131	$2,354,746	$6,767,551	($25,920,148)	($25,920,148)	($25,920,148)	($25,920,148)
10	Tax Adjustments to Accounting Income per 2013 PILs model	($2,371,335)	($2,371,335)	($2,371,335)	($2,371,335)	$ -	$ -	$ -	$ -
11	**Taxable Income**	($1,263,009)	$3,149,797	($16,589)	$4,396,216	($25,920,148)	($25,920,148)	($25,920,148)	($25,920,148)
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	**Income Tax on Taxable Income**	$ -	$834,696	$ -	$1,164,997	$ -	$ -	$ -	$ -
14	**Income Tax Credits**	$ -	$ -	$ -	$ -	$ -	$ -		
15	**Utility Net Income**	$1,108,326	$4,686,435	$2,354,746	($26,754,845)	($25,920,148)	($26,754,845)	($25,920,148)	($26,754,845)
16	**Utility Rate Base**	$127,210,501	$127,210,501	$117,612,268	$117,612,268	$117,612,268	$117,612,268	$117,612,268	$117,612,268
17	Deemed Equity Portion of Rate Base	$50,884,201	$50,884,201	$ -	$ -	$ -	$ -	$ -	$ -
18	Income/(Equity Portion of Rate Base)	2.18%	9.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Target Return - Equity on Rate Base	9.21%	9.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-7.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	3.48%	6.29%	2.00%	0.00%	-22.04%	0.00%	-22.04%	0.00%
22	Requested Rate of Return on Rate Base	6.29%	6.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-2.81%	0.00%	2.00%	0.00%	-22.04%	0.00%	-22.04%	0.00%
24	Target Return on Equity	$4,686,435	$4,686,435	$ -	$ -	$ -	$ -	$ -	$ -
25	Revenue Deficiency/(Sufficiency)	$3,578,109	$ -	($2,354,746)	$ -	$25,920,148	$ -	$25,920,148	$ -
26	**Gross Revenue Deficiency/(Sufficiency)**	$4,412,804 (1)		($3,203,736) (1)		$35,265,508 (1)		$35,265,508 (1)	

Notes:

(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Revenue Requirement

Line No.	Particulars	Application		Interrogatory Responses		Settlement Agreement		Per Board Decision	
1	OM&A Expenses	$20,224,828		$20,224,828		$20,224,828		$20,224,828	
2	Amortization/Depreciation	$5,354,146		$5,354,146		$5,354,146		$5,354,146	
3	Property Taxes	$341,174		$341,174		$341,174		$341,174	
5	Income Taxes (Grossed up)	$834,697		$834,697		$834,697		$834,697	
6	Other Expenses	$ -							
7	Return								
	Deemed Interest Expense	$3,316,123		$ -		$ -		$ -	
	Return on Deemed Equity	$4,686,435		$ -		$ -		$ -	
8	**Service Revenue Requirement (before Revenues)**	$34,757,403		$26,754,845		$26,754,845		$26,754,845	
9	Revenue Offsets	$2,069,704		$ -		$ -		$ -	
10	**Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)**	$32,687,699		$26,754,845		$26,754,845		$26,754,845	
11	Distribution revenue	$32,687,699		$ -		$ -		$ -	
12	Other revenue	$2,069,704		$ -		$ -		$ -	
13	**Total revenue**	$34,757,403		$ -		$ -		$ -	
14	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	$ -	(1)	($26,754,845)	(1)	($26,754,845)	(1)	($26,754,845)	(1)

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application	Interrogatory Responses	Δ% (2)	Settlement Agreement	Δ% (2)	Per Board Decision	Δ% (2)
Service Revenue Requirement	$34,757,403	$26,754,845	###	$26,754,845	#######	$26,754,845	(23.02%)
Grossed-Up Revenue Deficiency/(Sufficiency)	$4,412,804	($3,203,736)	###	$35,265,508	699.16%	$35,265,508	699.16%
Base Revenue Requirement (to be recovered from Distribution Rates)	$32,687,699	$26,754,845	###	$26,754,845	#######	$26,754,845	(18.15%)
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	$4,412,805	$ -	###	$ -	#######	$ -	(100.00%)

Notes

(1) Line 11 - Line 8

(2) Percentage Change Relative to Initial Application

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Load Forecast Summary

This spreadsheet provides a summary of the customer and load forecast on which the test year revenue requirement is derived. The amounts serve as the denominators for deriving the rates to recover the test year revenue requirement for purposes of this RRWF.

The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-I** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-IB** and in Exhibit 3 of the application.

Appendix 2-IB is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth andf trends from historical actuals to the Bridge and Test Year forecasts.

Stage in Process: Initial Application

	Customer Class	Initial Application			Interrogatory Responses			Settlement Agreement			Per Board Decision		
	Input the name of each customer class.	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [(1)] Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [(1)] Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [(1)] Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [(1)] Annual
1	Residential	43,422	371,703,857										
2	General Service < 50 kW	4,404	138,839,523										
3	General Service >= 50 kW	435	319,690,359	793,079									
4	Street Lighting	10,303	3,659,039	10,255									
5	Sentinel Lighting	336	312,757	860									
6	USL	246	851,487										
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
	Total		**835,057,022**	**804,194**		-	-		-	-			

Notes:

(1) Input kW or kVA for those customer classes for which billing is based on demand (kW or kVA) versus energy consumption (kWh)

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

Stage in Application Process: ***Initial Application***

A) Allocated Costs

	Name of Customer Class (3) From Sheet 10. Load Forecast	Costs Allocated from Previous Study (1)	%	Allocated Class Revenue Requirement (1) (7A)	%
1	Residential	$ 17,622,635	65.99%	$ 21,566,101	62.05%
2	General Service < 50 kW	$ 3,615,404	13.54%	$ 4,872,491	14.02%
3	General Service >= 50 kW	$ 4,959,799	18.57%	$ 7,669,335	22.07%
4	Street Lighting	$ 413,801	1.55%	$ 536,810	1.54%
5	Sentinel Lighting	$ 49,490	0.19%	$ 67,681	0.19%
6	USL	$ 44,183	0.17%	$ 44,985	0.13%
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20					
	Total	$ 26,705,312	100.00%	**$ 34,757,403**	100.00%
		Service Revenue Requirement (from Sheet 9)		**$ 34,757,403.14**	

(1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost || RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral and variance accounts. For Embedded Distributors, Account 4750 - Low Voltage (LV) Costs are also excluded.

(2) Host Distributors - Provide information on any embedded distributor(s) as a separate class, if applicable. If embedded distributors are billed in a General Service class, include the allocated costs and revenues of the embedded distributor(s) in the applicable class, and also complete Appendix 2-Q.

(3) Customer Classes - If these differ from those in place in the previous cost allocation study, modify the customer classes to match the proposal in the current application as closely as possible.

B) *Calculated Class Revenues*

	Name of Customer Class	Load Forecast (LF) X current approved rates (7B)	LF X current approved rates X (1+d) (7C)	LF X Proposed Rates (7D)	Miscellaneous Revenues (7E)
1	Residential	$ 17,596,220	$ 20,342,426	$ 20,342,426	$ 1,321,172
2	General Service < 50 kW	$ 4,760,022	$ 5,502,909	$ 5,502,909	$ 273,031
3	General Service >= 50 kW	$ 5,311,232	$ 6,140,146	$ 6,143,745	$ 424,292
4	Street Lighting	$ 527,279	$ 609,571	$ 602,011	$ 42,162
5	Sentinel Lighting	$ 42,022	$ 48,580	$ 52,540	$ 5,421
6	USL	$ 38,119	$ 44,068	$ 44,068	$ 3,627
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12					
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15					
16					
17					
18					
19					
20					
	Total	$ 28,274,894	$ 32,687,699	$ 32,687,699	$ 2,069,704

(4) In columns 7B to 7D, LF means Load Forecast of Annual Billing Quantities (i.e., customers or connections, as applicable X 12 months, and kWh, kW or kVA as applicable. Revenue quantities should be net of the Transformer Ownership Allowance for applicable customer classes. Exclude revenues from rate adders and rate riders.

(5) Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.

Column 7C - The OEB-issued cost allocation model calculates "1+d" on worksheet O-1, cell C22. "d" is defined as Revenue Deficiency/Revenue at Current Rates.

(6)

(7) Column 7E - If using the OEB-issued cost allocation model, enter Miscellaneous Revenues as it appears on worksheet O-1, row 19.

C) Rebalancing Revenue-to-Cost Ratios

	Name of Customer Class	Previously Approved Ratios Most Recent Year: 2020	Status Quo Ratios (7C + 7E) / (7A)	Proposed Ratios (7D + 7E) / (7A)	Policy Range
		%	%	%	%
1	Residential	93.06%	100.45%	100.45%	85 - 115
2	General Service < 50 kW	118.66%	118.54%	118.54%	80 - 120
3	General Service >= 50 kW	109.46%	85.59%	85.64%	80 - 120
4	Street Lighting	120.00%	121.41%	120.00%	80 - 120
5	Sentinel Lighting	93.06%	79.79%	85.64%	80 - 120
6	USL	100.10%	106.02%	106.02%	80 - 120
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(8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2020 with further adjustments to move within the range over two years, the Most Recent Year would be 2023. However, the ratios in 2023 would be equal to those after the adjustment in 2022.

(9) Status Quo Ratios - The OEB-issued cost allocation model provides the Status Quo Ratios on Worksheet O-1. The Status Quo means "Before Rebalancing".

(10) Ratios shown in red are outside of the allowed range. Applies to both Tables C and D.

(D) *Proposed Revenue-to-Cost Ratios* (11)

	Name of Customer Class	Proposed Revenue-to-Cost Ratio			Policy Range
		Test Year	Price Cap IR Period		
		2025	2026	2027	
1	Residential	100.45%	100.45%	100.45%	85 - 115
2	General Service < 50 kW	118.54%	118.54%	118.54%	80 - 120
3	General Service >= 50 kW	85.64%	85.64%	85.64%	80 - 120
4	Street Lighting	120.00%	120.00%	120.00%	80 - 120
5	Sentinel Lighting	85.64%	85.64%	85.64%	80 - 120
6	USL	106.02%	106.02%	106.02%	80 - 120
7					
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(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2025 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2026 and 2027 Price Cap IR models, as necessary. For 2026 and 2027, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2026 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Rate Design and Revenue Reconciliation

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and voluemtric rates based on the allocated class revenues and fixed/variable split resulting from the cost allocation study and rate design and as proposed by the applicant. However, the RRWF does not replace the rate generator model that an applicant distributor may use in support of its application. The RRWF provides a demonstrative check on the derivation of the revenue requirement and on the proposed base distribution rates to recover the revenue requirement, based on summary information from a more detailed rate generator model and other models that applicants use for cost allocation, load forecasting, taxes/PILs, etc.

Stage in Process: *Initial Application*

Customer and Load Forecast (From sheet 10. Load Forecast) / **Class Allocated Revenues** (From Sheet 11. Cost Allocation and Sheet 12. Residential Rate Design)

	Customer Class	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric
1	Residential	kWh	43,422	371,703,857	-	$ 20,342,426	$ 20,342,426	$ -
2	General Service < 50 kW	kWh	4,404	138,839,523	-	$ 5,502,909	$ 1,344,550	$ 4,158,359
3	General Service >= 50 kW	kW	435	319,690,359	793,079	$ 6,143,745	$ 1,011,878	$ 5,131,866
4	Street Lighting	kW	10,303	3,659,039	10,255	$ 602,011	$ 506,426	$ 95,585
5	Sentinel Lighting	kW	336	312,757	860	$ 52,540	$ 31,149	$ 21,391
6	USL	kWh	246	851,487		$ 44,068	$ 26,545	$ 17,523
7			-	-	-			
8			-	-	-			
9			-	-	-			
10			-	-	-			
11			-	-	-			
12			-	-	-			
13			-	-	-			
14			-	-	-			
15			-	-	-			
16			-	-	-			
17			-	-	-			
18			-	-	-			
19			-	-	-			
20			-	-	-			

Fixed / Variable Splits [2,3] (Percentage to be entered as a fraction between 0 and 1) / **Distribution Rates** / **Revenue Reconciliation** (1.013888889)

	Customer Class	Fixed	Variable	Transformer Ownership Allowance [1] ($)	Monthly Service Charge [2] Rate	No. of decimals	Volumetric Rate [3] Rate		No. of decimals	MSC Revenues	Volumetric revenues	Revenues less Transformer Ownership Allowance
1	Residential	100.00%	0.00%		$38.51	2	$0.0000	/kWh	4	$ 20,344,742.38	$ -	$ 20,344,742.38
2	General Service < 50 kW	24.43%	75.57%		$25.09		$0.0300	/kWh		$ 1,344,488.84	$ 4,165,185.6900	$ 5,509,674.53
3	General Service >= 50 kW	16.47%	83.53%	$ 114,214	$191.29		$6.6148	/kW		$ 1,011,864.47	$ 5,246,059.9680	$ 6,143,710.44
4	Street Lighting	84.12%	15.88%		$4.04		$9.3210	/kW		$ 506,426.35	$ 95,584.6925	$ 602,011.04
5	Sentinel Lighting	59.29%	40.71%		$7.62		$24.8617	/kW		$ 31,149.35	$ 21,391.1559	$ 52,540.51
6	USL	60.24%	39.76%		$8.88		$0.0206	/kWh		$ 26,548.56	$ 17,540.6332	$ 44,089.19
7										$ -	$ -	$ -
8										$ -	$ -	$ -
9										$ -	$ -	$ -
10										$ -	$ -	$ -
11										$ -	$ -	$ -
12										$ -	$ -	$ -
13										$ -	$ -	$ -
14										$ -	$ -	$ -
15										$ -	$ -	$ -
16										$ -	$ -	$ -
17										$ -	$ -	$ -
18										$ -	$ -	$ -
19										$ -	$ -	$ -
20										$ -	$ -	$ -

Total Transformer Ownership Allowance $ 114,214

Total Distribution Revenues	$ 32,696,768.09
Base Revenue Requirement	$ 32,687,699.14
Difference	$ 9,068.95
% Difference	0.028%

Rates recover revenue requirement

Notes:

1 Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.

2 The Fixed/Variable split, for each customer class, drives the "rate generator" portion of this sheet of the RRWF. Only the "fixed" fraction is entered, as the sum of the "fixed" and "variable" portions must sum to 100%. For a distributor that may set the Monthly Service Charge, the "fixed" ratio is calculated as: [MSC x (average number of customers or connections) x 12 months] / (Class Allocated Revenue Requirement).

3 The Volumetric rate is calculated as [(allocated volumetric revenue requirement for the class + transformer allowance credit for the class)/(annual estimate of the charge determinant for the test year (either kW or kVA for demand-billed customer classes, or kWh for non-demand-billed classes)]

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Tracking Form

The first row shown, labelled "Original Application", summarizes key statistics based on the data inputs into the RRWF. After the original application filing, the applicant provides key changes in capital and operating expenses, load forecasts, cost of capital, etc., as revised through the processing of the application. This could be due to revisions or responses to interrogatories. The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

(1) Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

(2) Short description of change, issue, etc.

Summary of Proposed Changes

			Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
	Reference (1)	Item / Description (2)	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance ($)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
		Original Application	$ 8,002,558	6.29%	$ 127,210,501	$ 127,976,439	$ 9,598,233	$ 5,354,146	$ 834,697	$ 20,224,828	$ 34,757,403	$ 2,069,704	$ 32,687,699	$ 4,412,804
1														

Exhibit 6: Revenue Requirement And Revenue Deficiency Or Sufficiency

Tab 3 (of 4): Taxes or Payments in Lieu of Taxes (PILs) and Property Taxes

INCOME TAXES OR PILS

Introduction/Overview

This section outlines the requirements for calculating and reporting taxes or Payments In Lieu of Taxes (PILs) as well as property taxes for rate-setting purposes. Distributors are required to apply the stand-alone principle, ensuring that taxes are determined based solely on the activities of the regulated utility. The goal is to ensure that the amounts reflected in the rate-setting process are accurate, transparent, and reflect sound financial practices, thereby minimizing the burden on ratepayers while complying with regulatory requirements.

Income Taxes or PILs

GSHi has submitted a live Excel version of the Income Tax/PILs model, as provided on the OEB's website, with this rate application. A completed PDF version of the model is also attached to this appendix (see Exhibit 6, Tab 3, Schedule 1, Attachment 1). The PILs model contains comprehensive calculations for income tax and PILs, in accordance with regulatory requirements.

Adjustments

The completed PILs model includes a taxable loss amount calculated in the Bridge Year section. This is detailed in Tab “B0” of the live Excel model, where a taxable loss of $303,334 is shown. The model then allows a portion of this loss to be transferred to the Test Year, as reflected in Tab “T4” of the PILs model.

This taxable loss position is driven by the accelerated CCA claimed in the Test Year. Table 1 below shows the calculation of the CCA difference, with accelerated CCA both incorporated and excluded:

Table 1: CCA Difference for Accelerated CCA

Description	Amount
2024 Test Year – CCA Claim in PILs model	$8,708,481
2024 Test Year- CCA Claim if impact of accelerating CCA deduction is removed	$7,741,662
CCA Claim Difference	**$966,819**
Taxable loss position per Tab "B0"	$303,334

The above table calculates the difference in the CCA claim and compares it to the taxable loss position calculated on Tab "B0" of the PILs model. This shows that the CCA claim difference exceeds the taxable loss position, indicating that the higher CCA deduction is the primary driver of the taxable loss.

GSHi is utilizing Deferral Account 1592 (Accelerated CCA) to defer the difference between the CCA embedded in rates and the CCA claimed in GSHi's tax return. GSHi will defer the same difference for its 2024 fiscal year-end, meaning that this CCA difference is already captured and settled with ratepayers. As a result, no taxable loss carryforward should be included in the PILs model, as doing so would effectively account for this CCA claim difference twice in rate setting. For more information about GSHi's Account 1592 and its proposed disposition in this rate application, please refer to Exhibit 9, Tab 1, Schedule 6.

Tax Returns

The latest Federal & Provincial tax return is included in Exhibit 6, Tab 3, Schedule 1, Attachment 2. This is the 2023 PILs return, as filed with the Ministry of Finance.

Tax Credits Calculation

GSHi does not consistently receive tax credits and, as a result, has not included any tax credits in the completed and filed PILs model.

Other Additions and Deductions

GSHi included "other additions" and "other deductions" in the Test Year for capital contribution elections, consistent with its actual tax returns. No other additions or deductions have been included in the PILs model beyond these items.

Loss Carryforwards

Schedule 4, "Non-Capital Loss Continuity Workchart," of GSHi's 2023 tax return, finalized on June 19, 2024, shows a capital loss carryforward balance of $1,734,588. However, on July 16, 2024, the Ministry of Finance concluded its audit of GSHi's 2019 and 2020 taxation years, resulting in additions to taxable income of $1,323,815 for 2020 and $1,339,214 for 2019, totaling $2,663,029 over the two years. Additionally, GSHi anticipates re-assessments for the 2021, 2022, and 2023 taxation years from future audits, with taxable income adjustments expected to be similar to those for 2019 and 2020.

As a result, GSHi anticipates that no loss carryforward balances will be available and is therefore proposing that no loss carryforward balances be embedded in the Test Year rates through the PILs model in this rate application.

Accelerated Capital Cost Allowance (CCA)

Accelerated CCA was introduced as part of the federal Accelerated Investment Incentive Program (AIIP) under Bill C-97, allowing for enhanced first-year CCA deductions on eligible capital assets acquired after November 20, 2018. The Ontario Energy Board (OEB) requires distributors to track the impacts of CCA changes in Account 1592 - PILs and Tax Variances – CCA Changes. This ensures that any tax impacts not reflected in base rates are appropriately accounted for, aligning with OEB regulations for the treatment of tax rule changes.

GSHi is not proposing a smoothing mechanism for the tax impacts over the five-year IRM term. Instead, GSHi will utilize Account 1592 to record the impacts of CCA changes. The account will be used to track the impact for 2024 (bridge year, based on actual results), 2025 (test year), and any further impacts in future years until GSHi's next rebasing.

For more information on GSHi's proposed disposition of the current balance in Account 1592, please refer to Exhibit 9, Tab 1, Schedule 6.

Attachment 1 (of 2):

PILs Model

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

Version 1.00

Utility Name	Greater Sudbury Hydro Inc.
Assigned EB Number	EB-2024-0026
Name and Title	Tiija Luttrell, Manager - Regulatory
Phone Number	705-675-0514
Email Address	regulatoryaffairs@gsuinc.ca
Date	2024-10-30
Last COS Re-based Year	2020

Note: Drop-down lists are shaded blue; Input cells are shaded green.

Instructions

Purpose
The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

Tab S Summary is a summary of the amounts to be transferred to the Data Input Sheet of the Revenue Requirement Workform.

Tab S1 Integrity Checks must be completed after the completion of the PILs calculation in this workbook.

Methodology
To calculate the PILs for the Test Year:

1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
2) input the balances for the Bridge Year and the Test Year.
Inputs should include:
- non-deductible expenses (Schedule 1 - B1 and T1)
- loss carryforward (Schedule 4 - B4 and T4)
- capital cost allowance (Schedule 8 - B8 and T8)
- non-deductible reserves (Schedule 13 - B13 and T13)

3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is reasonable.

Other Notes
Tabs H0 to H13 relate to the Historical Year.
Tabs B0 to B13 relate to the Bridge Year.
Tabs T0 to T13 relate to the Test Year.

The amounts on tabs H0 to H13 should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab A.

On tab "A. Data Input Sheet", input the "Rate Base" amount and "Return on Rate Base" amounts.

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Income Tax/PILs Workform for 2025 Filers

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Income Tax/PILs Workform for 2025 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference	
Adjustments required to arrive at taxable income	as below	**-2,371,335**
Test Year - Payments in Lieu of Taxes (PILs)	T0	**613,502**
Test Year - Grossed-up PILs	T0	**834,696**
Effective Federal Tax Rate	T0	**15.0%**
Effective Ontario Tax Rate	T0	**11.5%**

Calculation of Adjustments required to arrive at Taxable Income			
Regulatory Income (before income taxes)	T1	4,686,435	
Taxable Income	T1	2,315,100	
Difference	calculated	-2,371,335	as above

Income Tax/PILs Workform for 2025 Filers

Integrity Checks

The applicant must ensure the following integrity checks have been completed and confirm this is the case in the table below, or provide an explanation if this is not the case:

	Item	Utility Confirmation (Y/N)	Notes
1	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	Y	In the PILs model, a total of $5,888,169 was added back, consisting of $5,672,080 for tangible assets and $216,089 for intangible assets. The depreciation/amortization amount per the rate base calculation is $5,354,146. The difference between these two amounts is $534,023, which represents fully allocated depreciation ($433,309 for Transportation and $100,714 for Stores Equipment, totaling $534,023). This fully allocated depreciation is included in OM&A expenses.
2	The capital additions and deductions in the CCA Schedule 8 agree with the rate base section for historical, bridge and test years	Y	The Bridge Year additions per Appendix 2, Tab BA, are $12,063,116. In comparison, the additions recorded in the PILs model on Tab "B8" (CCA Bridge Year schedule) total $12,022,730. The difference of $40,386 consists of additions for Land Rights ($505) and Land ($39,881), which are not included in the CCA continuity. The same items are differences for the Test year additions.
3	Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31 historical year UCC that agrees with the opening (January 1) bridge year UCC. If the amounts do not agree, then the applicant must provide a reconciliation with explanations. Distributors must segregate non-distribution tax amounts on Schedule 8.	Y	The amount of $104,777,902, as reported in Schedule 8 of the most recent federal T2 tax return, matches the total UCC at the beginning of the Bridge Year, as shown in Tab B8 of the PILs model.
4	The CCA deductions in the application's PILs tax model for historical, bridge and test years (as applicable) agree with the numbers in the CCA Schedule 8 for the same years filed in the application	Y	
5	Loss carry-forwards, if any, from prior year tax returns' Schedule 4 agree with those disclosed in the application	Y	For a discussion of loss carryforwards, see Exhibit 6, Tab 3, Schedule 1.
6	A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized	Y	For a discussion of loss carryforwards, see Exhibit 6, Tab 3, Schedule 1.
7	CCA is maximized even if there are tax loss carry-forwards	Y	
8	Other post-employment benefits and pension expenses that are added back on Schedule 1 to reconcile accounting income to net income for tax purposes agree with the OM&A analysis for compensation. The amounts deducted are reasonable when compared with the notes to the audited financial statements, Financial Services Commission of Ontario reports, and actuarial valuations.	Y	Changes in OPEB balances align with the actuary exhibits and the projected 2025 balances. The values used to adjust the reserve balance include the current service costs, interest costs, and benefits paid. For further details, see Exhibit 9, Tab 1, Schedule 1, Attachment 6.
9	The income tax rate used to calculate the tax expense is consistent with the utility's actual tax facts and evidence filed in the application	Y	

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

			Test Year		Bridge Year
Rate Base		S	**$ 127,210,501**		
Return on Ratebase					
Deemed ShortTerm Debt %	4.00%	T	$ 5,088,420	*W = S * T*	
Deemed Long Term Debt %	56.00%	U	$ 71,237,881	*X = S * U*	
Deemed Equity %	40.00%	V	$ 50,884,200	*Y = S * V*	
Short Term Interest Rate	6.23%	Z	$ 317,009	*AC = W * Z*	
Long Term Interest	4.21%	AA	$ 2,999,115	*AD = X * AA*	
Return on Equity (Regulatory Income)	9.21%	AB	**$ 4,686,435**	*AE = Y * AB*	T1
Return on Rate Base			**$ 8,002,558**	*AF = AC + AD + AE*	

Questions that must be answered

	Historical Year	Bridge Year	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	No	No	No
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? *If Yes, please describe the tax treatment in the manager's summary.*	No	No	No
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

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Income Tax/PILs Workform for 2025 Filers

Tax Rates Federal & Provincial As of MMM XX, 2019	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021	Effective January 1, 2022	Effective January 1, 2023
Federal income tax						
General Corporate Rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal Tax Abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted Federal Rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate Reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario Income Tax	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Combined Federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business						
Federal Small Business Limit	500,000	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Limit	500,000	500,000	500,000	500,000	500,000	500,000
Federal Small Business Rate	11.00%	10.50%	10.50%	10.00%	9.00%	9.00%
Ontario Small Business Rate	4.50%	4.50%	3.50%	3.50%	3.20%	3.20%

Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. The appropriate Federal and Ontario small business rates are calculated in the Income/PILs Workform. The Federal and Ontario small business deduction:
   a. is applicable if taxable capital is below $10 million.
   b. is phased out with taxable capital of more than $10 million.
   c. is completely eliminated when the taxable capital is $15 million or more. Effective for the 2022 taxation year, the Federal small business deduction is revised to be completely eliminate

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

				Wires Only	
Regulatory Taxable Income			H1	$ 1,459,468	**A**
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)		**B**		
	Federal tax rate (Maximum 15%)		**C**		
	Combined tax rate (Maximum 26.5%)			0.00%	**D = B+C**
Total Income Taxes				$ -	**E = A * D**
Investment Tax Credits					**F**
Miscellaneous Tax Credits					**G**
Total Tax Credits				$ -	**H = F + G**
Corporate PILs/Income Tax Provision for Historical Year				$ -	**I = E - H**

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	**(A + 101 + 102)**	3,016,969		3,016,969
Additions:				
Interest and penalties on taxes	103	5,938		5,938
Amortization of tangible assets	104	5,324,597		5,324,597
Amortization of intangible assets	106	16,101		16,101
Recapture of capital cost allowance from Schedule 8	107			0
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111	435,489		435,489
Charitable donations and gifts from Schedule 2	112	500		500
Taxable capital gains from Schedule 6	113			0
Political contributions	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	9,958		9,958
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements – balance at the end of the year	126	14,568,917		14,568,917
Soft costs on construction and renovation of buildings	127			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other additions				
Interest Expensed on Capital Leases	295			0
Realized Income from Deferred Credit Accounts	295			0
Pensions	295			0
Non-deductible penalties	295			0
Opening regulatory asset balance	295	22,556,610		22,556,610
Customer deposits (12(1)(a))	295	1,609,660		1,609,660
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))		1,780,099		1,780,099
Lease Inducements Received (ITA 12(1)(x))		6,000		6,000
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Taxable/non-deductible other comprehensive income items (line 239)		290,878		290,878

				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		**46,604,747**	**0**	**46,604,747**
Deductions:				
Gain on disposal of assets per financial statements	401			0
Non-taxable dividends under section 83	402			0
Capital cost allowance from Schedule 8	403	7,860,174		7,860,174
Terminal loss from Schedule 8	404			0
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414	13,988,954		13,988,954
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions				
Interest capitalized for accounting deducted for tax	395			0
Capital Lease Payments	395			0
Non-taxable imputed interest income on deferral and variance accounts	395			0
Amortization of deferred revenue	395	80,605		80,605
Customer deposits ((20(1)(m))	395	1,609,660		1,609,660
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received		1,780,099		1,780,099
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
Closing Reg Asset balance (no tax) (line 395)		22,386,868		22,386,868
Tax recovery on net movements (line 395)		455,888		455,888
				0
				0
				0
				0
				0
				0
Total Deductions		**48,162,248**	**0**	**48,162,248**
Net Income for Tax Purposes		**1,459,468**	**0**	**1,459,468**
Charitable donations from Schedule 2	311			0
Taxable dividends received under section 112 or 113	320			0
Non-capital losses of previous tax years from Schedule 4	331			0
Net capital losses of previous tax years from Schedule 4	332			0
Limited partnership losses of previous tax years from Schedule 4	335			0
TAXABLE INCOME		**1,459,468**	**0**	**1,459,468**

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

Schedule 4 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Buildings, Distribution System (acq'd post 1987)	$ 31,638,399		$ 31,638,399
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	$ 1,707,123		$ 1,707,123
2	Distribution System (acq'd pre 1988)			$ -
3	Buildings (acq'd pre 1988)			$ -
6	Certain Buildings; Fences			$ -
8	General Office Equipment, Furniture, Fixtures	$ 471,779		$ 471,779
10	Motor Vehicles, Fleet	$ 738,748		$ 738,748
10.1	Certain Automobiles			$ -
12	Computer Application Software (Non-Systems)			$ -
13_1	Lease # 1			$ -
13_2	Lease # 2			$ -
13_3	Lease # 3			$ -
13_4	Lease # 4			$ -
14	Limited Period Patents, Franchises, Concessions or Licences			$ -
14.1	Eligible Capital Property (acq'd pre 2017)			$ -
14.1	Eligible Capital Property (acq'd post 2016)	$ 32,034		$ 32,034
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	$ 41,152		$ 41,152
42	Fibre Optic Cable	$ 99,880		$ 99,880
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment			$ -
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment			$ -
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	$ 1		$ 1
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			$ -
47	Distribution System (acq'd post Feb 22/05)	$ 63,334,058		$ 63,334,058
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	$ 13,265		$ 13,265
95	CWIP	$ 2,114,648		$ 2,114,648
94	Capital inventory	$ 4,586,815		$ 4,586,815
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
	SUB-TOTAL - UCC	104,777,902	0	104,777,902

Ontario Energy Board

Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital gains reserves ss.40(1)			0
Tax reserves not deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)	483,715		483,715
Reserve for undelivered goods and services not rendered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & share issue expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
			0
Total	**483,715**	**0**	**483,715**
Financial Statement Reserves (not deductible for Tax Purposes)			
General reserve for inventory obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accmulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits	14,085,202		14,085,202
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
Total	**14,085,202**	**0**	**14,085,202**

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

PILS Tax Provision - Bridge Year

						Reference	Wires Only	
Regulatory Taxable Income						B1	-$ 303,334	**A**
	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate				
Ontario (Max 11.5%)	11.5%	3.2%	-$ 9,707	3.2%	**B**			
Federal (Max 15%)	15.0%	9.0%	-$ 27,300	9.0%	**C**			
Combined effective tax rate (Max 26.5%)							12.20%	**D = B + C**
Total Income Taxes							$ -	**E = A * D**
Investment Tax Credits								**F**
Miscellaneous Tax Credits								**G**
Total Tax Credits							$ -	**H = F + G**
Corporate PILs/Income Tax Provision for Bridge Year							$ -	**I = E - H**

Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.

Income Tax/PILs Workform for 2025 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	**(A + 101 + 102)**		2,627,858

Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		5,063,421
Amortization of intangible assets	106		163,416
Recapture of capital cost allowance from Schedule 8	107	B8	0
Income inclusion under subparagraph 13(38)(d)(iii)	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		465,071
Charitable donations and gifts from Schedule 2	112		
Taxable capital gains	113		
Political contributions	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		34,073
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	483,715
Reserves from financial statements- balance at end of year	126	B13	14,136,510
Soft costs on construction and renovation of buildings	127		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		

Adjusted Taxable Income - Bridge Year

Other Additions			
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			**20,346,206**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	8,708,481
Terminal loss from Schedule 8	404	B8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	483,715
Reserves from financial statements - balance at beginning of year	414	B13	14,085,202
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions			

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

Adjusted Taxable Income - Bridge Year

Interest capitalized for accounting deducted for tax	395		
Capital Lease Payments	395		
Non-taxable imputed interest income on deferral and variance accounts	395		
	395		
	395		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	**23,277,398**
Net Income for Tax Purposes		calculated	**-303,334**
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	B4	0
Net capital losses of previous tax years from Schedule 4	332	B4	0
Limited partnership losses of previous tax years from Schedule 4	335		
TAXABLE INCOME		calculated	**-303,334**

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		**Total**	
Actual Historical	H4	0	
Amount to be used in Bridge Year	B1	0	
Loss Carry Forward Generated in Bridge Year (if any)	B1	303,334	
Other Adjustments			
Balance available for use post Bridge Year	calculated	303,334	T4

Net Capital Loss Carry Forward Deduction		**Total**	
Actual Historical	H4	0	
Amount to be used in Bridge Year			
Loss Carry Forward Generated in Bridge Year (if any)	B1		
Other Adjustments			
Balance available for use post Bridge Year	calculated	0	T4

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

Schedule 8 CCA - Bridge Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the bridge year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP)	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)	(6) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition
1	Buildings, Distribution System (acq'd post 1987)	H8	$ 31,638,399				
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	H8	$ 1,707,123				
2	Distribution System (acq'd pre 1988)	H8	$ -				
3	Buildings (acq'd pre 1988)	H8	$ -				
6	Certain Buildings; Fences	H8	$ -				
8	General Office Equipment, Furniture, Fixtures	H8	$ 471,779	92,007			
10	Motor Vehicles, Fleet	H8	$ 738,748	993,335			
10.1	Certain Automobiles	H8	$ -				
12	Computer Application Software (Non-Systems)	H8	$ -	708,899			
13_1	Lease # 1	H8	$ -				
13_2	Lease # 2	H8	$ -				
13_3	Lease # 3	H8	$ -				
13_4	Lease # 4	H8	$ -				
14	Limited Period Patents, Franchises, Concessions or Licences	H8	$ -				
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	H8	$ -				
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	H8	$ 32,034				
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	H8	$ 41,152				
42	Fibre Optic Cable	H8	$ 99,880				
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	$ -				
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	$ -				
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	H8	$ 1				
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8	$ -				
47	Distribution System (acq'd post Feb 22/05)	H8	$ 63,334,058	11,354,202			
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	H8	$ 13,265				
95	CWIP	H8	$ 2,114,648				
94	Capital inventory	H8	$ 4,586,815	-1,125,713			
		H8	$ -				
		H8	$ -				
		H8	$ -				
		H8	$ -				
		H8	$ -				
		H8	$ -				
		H8	$ -				
	TOTALS		**$ 104,777,902**	**$ 12,022,730**	**$ -**	**$ -**	**$ -**

(7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	(8) Proceeds of dispositions	(9) Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4)	(10) UCC (column 2 plus column 3 plus or minus column 5 minus column 8)	(11) UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4)	(12) Immediate expensing	(13) Cost of acquisitions on remainder of Class (column 3 **minus** column 4 **plus** column 11 **minus** column 12)	(14) Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56	(15) Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	(16) **Proceeds of disposition available to reduce the UCC of AIIP** and property included in Classes 54 to 56 (column 8 minus column 9 plus column 6 minus column 13 plus column 14 minus column 7) (if negative, enter "0")	(17) **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")**	Relevant factor[1]
			$ 31,638,399			$ -		$ 31,638,399	$ -	$ -	0.00
			$ 1,707,123			$ -		$ 1,707,123	$ -	$ -	0.00
			$ -			$ -		$ -	$ -	$ -	
			$ -			$ -		$ -	$ -	$ -	
			$ -			$ -		$ -	$ -	$ -	0.00
			$ 563,786			$ 92,007	92,007	$ 563,786	$ -	$ 92,007	0.00
			$ 1,732,083			$ 993,335	993,335	$ 1,732,083	$ -	$ 993,335	0.00
			$ -			$ -		$ -	$ -	$ -	0.00
			$ 708,899			$ 708,899	708,899	$ 708,899	$ -	$ 708,899	0.00
			$ -			$ -		$ -	$ -	$ -	0.00
			$ -			$ -		$ -	$ -	$ -	0.00
			$ -			$ -		$ -	$ -	$ -	0.00
			$ -			$ -		$ -	$ -	$ -	0.00
			$ -			$ -		$ -	$ -	$ -	0.00
			$ -			$ -		$ -	$ -	$ -	
			$ 32,034			$ -		$ 32,034	$ -	$ -	0.00
			$ 41,152			$ -		$ 41,152	$ -	$ -	0.00
			$ 99,880			$ -		$ 99,880	$ -	$ -	0.00
			$ -			$ -		$ -	$ -	$ -	1.50
			$ -			$ -		$ -	$ -	$ -	0.50
			$ 1			$ -		$ 1	$ -	$ -	
			$ -			$ -		$ -	$ -	$ -	0.00
			$ 74,688,260			$ 11,354,202	11,354,202	$ 74,688,260	$ -	$ 11,354,202	0.00
			$ 13,265			$ -		$ 13,265	$ -	$ -	0.00
			$ 2,114,648			$ -		$ 2,114,648	$ -	$ -	0.00
			$ 3,461,102			-$ 1,125,713	-1,125,713	$ 3,461,102	$ -	$ -	
			$ -			$ -		$ -	$ -	$ -	
			$ -			$ -		$ -	$ -	$ -	
			$ -			$ -		$ -	$ -	$ -	
			$ -			$ -		$ -	$ -	$ -	
			$ -			$ -		$ -	$ -	$ -	
			$ -			$ -		$ -	$ -	$ -	
			$ -			$ -		$ -	$ -	$ -	
$ -	**$ -**	**$ -**	**$ 116,800,632**	**$ -**		**$ 12,022,730**	**$ 12,022,730**		**$ -**	**$ 13,148,443**	

(18) UCC adjustment for AIIP and property included in Classes 54 to 56 acquired during the year (column 17 multiplied by the relevant factor)	(19) UCC adjustment for non-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")	(20) CCA Rate %	(21) Recapture of CCA	(22) Terminal Loss	(23) CCA (for declining balance method, the result of column 15 plus column 18 minus column 19, multiplied by column 20 or a lower amount, plus column 12))	(24) UCC at the end of the test year (column 10 minus column 23)	Working Paper Reference
$ -	$ -	4%			$ 1,265,536	$ 30,372,863	T8
$ -	$ -	6%			$ 102,427	$ 1,604,696	T8
$ -	$ -	6%			$ -	$ -	T8
$ -	$ -	5%			$ -	$ -	T8
$ -	$ -	10%			$ -	$ -	T8
$ -	$ -	20%			$ 112,757	$ 451,029	T8
$ -	$ -	30%			$ 519,625	$ 1,212,458	T8
$ -	$ -	30%			$ -	$ -	T8
$ -	$ -	100%			$ 708,899	$ -	T8
$ -	$ -	NA			$ -	$ -	T8
$ -	$ -	NA			$ -	$ -	T8
$ -	$ -	NA			$ -	$ -	T8
$ -	$ -	NA			$ -	$ -	T8
$ -	$ -	NA			$ -	$ -	T8
$ -	$ -	7%			$ -	$ -	T8
$ -	$ -	5%			$ 1,602	$ 30,432	T8
$ -	$ -	8%			$ 3,292	$ 37,860	T8
$ -	$ -	12%			$ 11,986	$ 87,894	T8
$ -	$ -	30%			$ -	$ -	T8
$ -	$ -	50%			$ -	$ -	T8
$ -	$ -	45%			$ 0	$ 1	T8
$ -	$ -	30%			$ -	$ -	T8
$ -	$ -	8%			$ 5,975,061	$ 68,713,199	T8
$ -	$ -	55%			$ 7,296	$ 5,969	T8
$ -	$ -	0%			$ -	$ 2,114,648	T8
$ -	$ -				$ -	$ 3,461,102	T8
$ -	$ -				$ -	$ -	T8
$ -	$ -				$ -	$ -	T8
$ -	$ -				$ -	$ -	T8
$ -	$ -				$ -	$ -	T8
$ -	$ -				$ -	$ -	T8
$ -	$ -				$ -	$ -	T8
$ -	$ -				$ -	$ -	T8
$ -	**$ -**		**$ -**	**$ -**	**$ 8,708,481**	**$ 108,092,151**	B1

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Bridge Year Additions
Capital gains reserves ss.40(1)	H13	0		0		
Tax Reserves Not Deducted for Accounting Purposes						
Reserve for doubtful accounts ss. 20(1)(l)	H13	483,715		483,715		483,715
Reserve for goods and services not delivered ss. 20(1)(m)	H13	0		0		
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0		
Debt & share issue expenses ss. 20(1)(e)	H13	0		0		
Other tax reserves	H13	0		0		
		0		0		
		0		0		
Total		**483,715**	**0**	**483,715**	B1	**483,715**
Financial statement reserves (not deductible for tax purposes)						
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0		
General Reserve for Bad Debts	H13	0		0		
Accrued Employee Future Benefits:	H13	0		0		
- Medical and Life Insurance	H13	0		0		
- Short & Long-term Disability	H13	0		0		
- Accumulated Sick Leave	H13	0		0		
- Termination Cost	H13	0		0		
- Other Post-Employment Benefits	H13	14,085,202		14,085,202		735,982
Provision for Environmental Costs	H13	0		0		
Restructuring Costs	H13	0		0		
Accrued Contingent Litigation Costs	H13	0		0		
Accrued Self-Insurance Costs	H13	0		0		
Other Contingent Liabilities	H13	0		0		
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0		
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0		
Other	H13	0		0		
		0		0		
		0		0		
Total		**14,085,202**	**0**	**14,085,202**	B1	**735,982**

Adjustments

Disposals	Balance for Bridge Year		Change During the Year	Disallowed Expenses
	0	T13	0	
483,715	483,715	T13	0	
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0		0	
	0		0	
483,715	**483,715**	B1	**0**	**0**
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0	T13	0	
684,675	14,136,510	T13	51,308	
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0	T13	0	
	0		0	
	0		0	
684,675	**14,136,510**	B1	**51,308**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

PILs Tax Provision - Test Year

							Wires Only	
Regulatory Taxable Income						T1	$ 2,315,100	A
	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate				
Ontario (Max 11.5%)	11.5%	11.5%	$ 266,237	11.5%	B			
Federal (Max 15%)	15.0%	15.0%	$ 347,265	15.0%	C			
Combined effective tax rate (Max 26.5%)							26.50%	D = B + C
Total Income Taxes							**$ 613,502**	E = A * D
Investment Tax Credits								F
Miscellaneous Tax Credits								G
Total Tax Credits							$ -	H = F + G
Corporate PILs/Income Tax Provision for Test Year							**$ 613,502**	I = E - H S. Su
Corporate PILs/Income Tax Provision Gross Up [1]					73.50%	J = 1-D	**$ 221,194**	K = I/J-I
Income Tax (grossed-up)							**$ 834,696**	L = K + I S. Su

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	4,686,435

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		5,672,080
Amortization of intangible assets *2-4 ADJUSTED ACCOUNTING DATA P490*	106		216,089
Recapture of capital cost allowance from Schedule 8	107	T8	0
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		520,319
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		13,110
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	483,715
Reserves from financial statements- balance at end of year	126	T13	14,172,944
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions			
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
	295		
	295		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			1,187,250
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			**22,265,507**

Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	8,829,367
Terminal loss from Schedule 8	404	T8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	483,715
Reserves from financial statements - balance at beginning of year	414	T13	14,136,510
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions			
Interest capitalized for accounting deducted for tax	395		
Capital Lease Payments	395		
Non-taxable imputed interest income on deferral and variance accounts	395		
	395		
	395		
	395		
	395		
	395		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			1,187,250
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	**24,636,842**
NET INCOME FOR TAX PURPOSES		calculated	**2,315,100**
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	T4	0
Net capital losses of previous tax years from Schedule 4	332	T4	0
Limited partnership losses of previous tax years from Schedule 4	335		
REGULATORY TAXABLE INCOME		calculated	**2,315,100**

T0

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

Schedule 4 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year Carried Forward	B4	303,334		303,334
Amount to be used in Test Year and Price Cap Years	T1	303,334		303,334
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
Amount to be used in Test Year	calculated	303,334	303,334	0
Loss Carry Forward Generated in Test Year (if any)	T1	0		0
Other Adjustments				0
Balance available for use in Future Years	calculated	0		0

Net Capital Loss Carry Forward Deduction		Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year Carried Forward	B4	0		0
Amount to be used in Test Year and Price Cap Years				0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
Amount to be used in Test Year	T1	0		0
Loss Carry Forward Generated in Test Year (if any)				0
Other Adjustments				0
Balance available for use in Future Years		0		0

Ontario Energy Board

Income Tax/PILs Workform for 2025 Filers

Schedule 8 CCA - Test Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the test year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP)	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)	(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
1	Buildings, Distribution System (acq'd post 1987)	B8	$ 30,372,863						
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	B8	$ 1,604,696						
2	Distribution System (acq'd pre 1988)	B8	$ -						
3	Buildings (acq'd pre 1988)	B8	$ -						
6	Certain Buildings; Fences	B8	$ -						
8	General Office Equipment, Furniture, Fixtures	B8	$ 451,029	145,227					
10	Motor Vehicles, Fleet	B8	$ 1,212,458	750,000					
10.1	Certain Automobiles	B8	$ -						
12	Computer Application Software (Non-Systems)	B8	$ -	500,000					
13 $_1$	Lease # 1	B8	$ -						
13 $_2$	Lease # 2	B8	$ -						
13 $_3$	Lease # 3	B8	$ -						
13 $_4$	Lease # 4	B8	$ -						
14	Limited Period Patents, Franchises, Concessions or Licences	B8	$ -						
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	B8	$ -						
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	B8	$ 30,432						
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	B8	$ 37,860						
42	Fibre Optic Cable	B8	$ 87,894						
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	$ -						
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	$ -						
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	B8	$ 1						
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ -						
47	Distribution System (acq'd post Feb 22/05)	B8	$ 68,713,199	9,934,320					
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	B8	$ 5,969						
95	CWIP	B8	$ 2,114,648						
94	Capital inventory	B8	$ 3,461,102	110,734					
		B8	$ -						
		B8	$ -						
		B8	$ -						
		B8	$ -						
		B8	$ -						
		B8	$ -						
		B8	$ -						
	TOTALS		$ 108,092,151	$ 11,440,281	$ -	$ -	$ -	$ -	$ -

(9) Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4)	(10) UCC (column 2 plus column 3 plus or minus column 5 minus column 8)	(11) UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4)	(12) Immediate expensing	(13) Cost of acquisitions on remainder of Class (column 3 **minus** column 4 **plus** column 11 **minus** column 12)	(14) Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56	(15) Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	(16) Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 minus column 9 plus column 6 minus column 13 plus column 14 minus column 7) (if negative, enter "0")	(17) 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")	Relevant factor[1]	(18) UCC adjustment for AIIP and property included in Classes 54 to 56 acquired during the year (column 17 multiplied by the relevant factor)	(19) UCC adjustment for non-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")	(20) CCA Rate %
	$ 30,372,863			$ -		$ 30,372,863	$ -	$ -	0.00	$ -	$ -	4%
	$ 1,604,696			$ -		$ 1,604,696	$ -	$ -	0.00	$ -	$ -	6%
	$ -			$ -		$ -	$ -	$ -		$ -	$ -	6%
	$ -			$ -		$ -	$ -	$ -		$ -	$ -	5%
	$ -			$ -		$ -	$ -	$ -	0.00	$ -	$ -	10%
	$ 596,256			$ 145,227	145,227	$ 596,256	$ -	$ 145,227	0.00	$ -	$ -	20%
	$ 1,962,458			$ 750,000	750,000	$ 1,962,458	$ -	$ 750,000	0.00	$ -	$ -	30%
	$ -			$ -		$ -	$ -	$ -	0.00	$ -	$ -	30%
	$ 500,000			$ 500,000	500,000	$ 500,000	$ -	$ 500,000	0.00	$ -	$ -	100%
	$ -			$ -		$ -	$ -	$ -	0.00	$ -	$ -	NA
	$ -			$ -		$ -	$ -	$ -	0.00	$ -	$ -	NA
	$ -			$ -		$ -	$ -	$ -	0.00	$ -	$ -	NA
	$ -			$ -		$ -	$ -	$ -	0.00	$ -	$ -	NA
	$ -			$ -		$ -	$ -	$ -		$ -	$ -	7%
	$ 30,432			$ -		$ 30,432	$ -	$ -	0.00	$ -	$ -	5%
	$ 37,860			$ -		$ 37,860	$ -	$ -	0.00	$ -	$ -	8%
	$ 87,894			$ -		$ 87,894	$ -	$ -	0.00	$ -	$ -	12%
	$ -			$ -		$ -	$ -	$ -	1.50	$ -	$ -	30%
	$ -			$ -		$ -	$ -	$ -	0.50	$ -	$ -	50%
	$ 1			$ -		$ 1	$ -	$ -		$ -	$ -	45%
	$ -			$ -		$ -	$ -	$ -	0.00	$ -	$ -	30%
	$ 78,647,519			$ 9,934,320	9,934,320	$ 78,647,519	$ -	$ 9,934,320	0.00	$ -	$ -	8%
	$ 5,969			$ -		$ 5,969	$ -	$ -	0.00	$ -	$ -	55%
	$ 2,114,648			$ -		$ 2,114,648	$ -	$ -	0.00	$ -	$ -	0%
	$ 3,571,836			$ 110,734	110,734	$ 3,571,836	$ -	$ 110,734		$ -	$ -	
	$ -			$ -		$ -	$ -	$ -		$ -	$ -	
	$ -			$ -		$ -	$ -	$ -		$ -	$ -	
	$ -			$ -		$ -	$ -	$ -		$ -	$ -	
	$ -			$ -		$ -	$ -	$ -		$ -	$ -	
	$ -			$ -		$ -	$ -	$ -		$ -	$ -	
	$ -			$ -		$ -	$ -	$ -		$ -	$ -	
	$ -			$ -		$ -	$ -	$ -		$ -	$ -	
$ -	**$ 119,532,432**	**$ -**	**$ -**	**$ 11,440,281**	**$ 11,440,281**	**$ 119,532,432**	**$ -**	**$ 11,440,281**		**$ -**	**$ -**	

(21) Recapture of CCA	(22) Terminal Loss	(23) CCA (for declining balance method, the result of column 15 plus column 18 minus column 19, multiplied by column 20 or a lower amount, plus column 12))	(24) UCC at the end of the test year (column 10 minus column 23)
		$ 1,214,915	#########
		$ 96,282	$ 1,508,414
		$ -	$ -
		$ -	$ -
		$ -	$ -
		$ 119,251	$ 477,005
		$ 588,737	$ 1,373,721
		$ -	$ -
		$ 500,000	$ -
		$ -	$ -
		$ -	$ -
		$ -	$ -
		$ -	$ -
		$ -	$ -
		$ -	$ -
		$ 1,522	$ 28,911
		$ 3,029	$ 34,831
		$ 10,547	$ 77,347
		$ -	$ -
		$ -	$ -
		$ 0	$ 0
		$ -	$ -
		$ 6,291,802	#########
		$ 3,283	$ 2,686
		$ -	$ 2,114,648
		$ -	$ 3,571,836
		$ -	$ -
		$ -	$ -
		$ -	$ -
		$ -	$ -
		$ -	$ -
		$ -	$ -
		$ -	$ -
$ -	**$ -**	**$ 8,829,367**	T1

Income Tax/PILs Workform for 2025 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Test Year	Adjusted Utility Balance		Test Year A Additions
Capital Gains Reserves ss.40(1)	B13	0		0		
Tax Reserves Not Deducted for accounting purposes						
Reserve for doubtful accounts ss. 20(1)(l)	B13	483,715		483,715		483,715
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0		
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0		
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0		
Other tax reserves	B13	0		0		
		0		0		
		0		0		
Total		**483,715**	**0**	**483,715**	T1	**483,715**
Financial Statement Reserves (not deductible for Tax Purposes)						
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0		
General reserve for bad debts	B13	0		0		
Accrued Employee Future Benefits:	B13	0		0		
- Medical and Life Insurance	B13	0		0		
-Short & Long-term Disability	B13	0		0		
-Accmulated Sick Leave	B13	0		0		
- Termination Cost	B13	0		0		
- Other Post-Employment Benefits	B13	14,136,510		14,136,510		735,639
Provision for Environmental Costs	B13	0		0		
Restructuring Costs	B13	0		0		
Accrued Contingent Litigation Costs	B13	0		0		
Accrued Self-Insurance Costs	B13	0		0		
Other Contingent Liabilities	B13	0		0		
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0		
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0		
Other	B13	0		0		
		0		0		
		0		0		
Total		**14,136,510**	**0**	**14,136,510**	T1	**735,639**

djustments				
Disposals	Balance for Test Year		Change During the Year	Disallowed Expenses
	0		0	
483,715	483,715		0	
	0		0	
	0		0	
	0		0	
	0		0	
	0		0	
	0		0	
483,715	**483,715**	T1	**0**	**0**
	0		0	
	0		0	
	0		0	
	0		0	
	0		0	
	0		0	
	0		0	
699,204	14,172,944		36,435	
	0		0	
	0		0	
	0		0	
	0		0	
	0		0	
	0		0	
	0		0	
	0		0	
	0		0	
	0		0	
699,204	**14,172,944**	T1	**36,435**	**0**

Attachment 2 (of 2):

Latest Filed Federal & Provincial Tax Return (PILs Return)

200

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

055 Do not use this area

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

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

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

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

Identification

Business number (BN) **001** 86593 7593 RC0002

Corporation's name
002 Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.

Address of head office
Has this address changed since the last time the CRA was notified? . . . . **010** Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 500 Regent Street
012 P.O. Box 250
City **015** Sudbury
Province, territory, or state **016** ON
Country (other than Canada) **017**
Postal or ZIP code **018** P3E 4P1

Mailing address (if different from head office address)
Has this address changed since the last time the CRA was notified? . . . . **020** Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o
022
023
City **025**
Province, territory, or state **026**
Country (other than Canada) **027**
Postal or ZIP code **028**

Location of books and records (if different from head office address)
Has this address changed since the last time the CRA was notified? . . . . **030** Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031
032
City **035**
Province, territory, or state **036**
Country (other than Canada) **037**
Postal or ZIP code **038**

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

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

To which tax year does this return apply?
Tax year start **060** Year Month Day 2023-01-01
Tax year-end **061** Year Month Day 2023-12-31

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

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

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** Yes [ ] No [X]

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

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

Is this the final tax year before amalgamation? . . . . **076** Yes [ ] No [X]

Is this the final return up to dissolution? . . . . **078** Yes [ ] No [X]

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

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

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

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

Do not use this area
095 **096** **898**

Attachments

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

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

Attachments (continued)

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

Additional information

		Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Hydro Distribution	285	100.000 %
286		287	%
288		289	%

		Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

		Yes	No
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295		

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	1,459,468 A
Deduct:				
Charitable donations from Schedule 2	311	1,000		
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331	1,458,468		
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Employer deduction for non-qualified securities	352			
Subtotal		1,459,468	▶	1,459,468 B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			355	D
Taxable income (amount C **plus** amount D)			360	
Taxable income for the year from a personal services business				Z.1

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

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	400	1,459,468	A
Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	405		B
Business limit (see notes 1 and 2 below)	410	500,000	C

Notes:

1. 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.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

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

Amount C 500,000 x **415** *** 347,617 D / 11,250 = ... E1

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

Amount C 500,000 x **415** *** 347,617 D / 90,000 = ... 1,931,206 E2

Amount E1 or amount E2, whichever applies 1,931,206 ▶ 1,931,206 E3

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** 99,659 – 50,000 = .. 49,659 F

Amount C 500,000 / 100,000 x Amount F 49,659 = ... 248,295 G

The greater of amount E3 and amount G	422	1,931,206	H
Reduced business limit (amount C **minus** amount H) (if negative, enter "0")	426		I
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below)			J
Reduced business limit after assignment (amount I **minus** amount J)	428		K
Small business deduction – Amount A, B, C, or K, whichever is the least .... ______ x 19 % =	430		

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

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

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

*** **Large corporations**

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

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

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

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

Notes:

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

General tax reduction for Canadian-controlled private corporations

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

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

Lesser of amounts 9B and 9H from Part 9 of Schedule 27 . . . . . . B
Amount 13K from Part 13 of Schedule 27 C
Personal services business income . . . . . . 432 D
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least* . . . . . . E
Aggregate investment income from line 440 on page 6** . . . . . . F

Subtotal (**add** amounts B to F) ▶ G

Amount A **minus** amount G (if negative, enter "0") . . . . H

General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 % I
Enter amount I on line 638 on page 8.

* This is not applicable to substantive CCPCs.

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

General tax reduction

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

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

Lesser of amounts 9B and 9H from Part 9 of Schedule 27 . . . . . . K
Amount 13K from Part 13 of Schedule 27 L
Personal services business income . . . . . . 434 M

Subtotal (**add** amounts K to M) ▶ N

Amount J **minus** amount N (if negative, enter "0") . . . . O

General tax reduction – Amount O **multiplied** by 13 % . . . . . . P
Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Refundable dividend tax on hand

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

Dividend refund

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

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) **multiplied** by 38 % . . . . . **550** ______ A

Additional tax on personal services business income (section 123.5)

Taxable income from a personal services business . . . . . **555** ______ x 5 % = **560** ______ B

Additional tax on banks and life insurers from Schedule 68 . . . . . **565** ______ C

Recapture of investment tax credit from Schedule 31 . . . . . **602** ______ D

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) or substantive CCPC's investment income (if it was a CCPC throughout the tax year or a substantive CCPC at any time in the tax year)

Aggregate investment income from line 440 on page 6 . . . . . ______ E

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

Deduct:

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

Net amount (amount F **minus** amount G) ______ ▶ ______ H

Refundable tax on CCPC's or substantive CCPC's investment income – 10 2 / 3 % of whichever is less: amount E or amount H . . . . . **604** ______ I

Subtotal (**add** amounts A, B, C, D, and I) ______ J

Deduct:

Small business deduction from line 430 on page 4 . . . . . ______ K

Federal tax abatement . . . . . **608** ______

Manufacturing and processing profits deduction and zero-emission technology manufacturing deduction from Schedule 27 . . . . . **616** ______

Investment corporation deduction . . . . . **620** ______

Taxed capital gains **624** ______

Federal foreign non-business income tax credit from Schedule 21 . . . . . **632** ______

Federal foreign business income tax credit from Schedule 21 . . . . . **636** ______

General tax reduction for CCPCs from amount I on page 5 . . . . . **638** ______

General tax reduction from amount P on page 5 . . . . . **639** ______

Federal logging tax credit from Schedule 21 . . . . . **640** ______

Eligible Canadian bank deduction under section 125.21 . . . . . **641** ______

Federal qualifying environmental trust tax credit . . . . . **648** ______

Investment tax credit from Schedule 31 . . . . . **652** ______

Subtotal ______ ▶ ______ L

Part I tax payable – Amount J **minus** amount L . . . . . ______ M

Enter amount M on line 700 on page 9.

* This is not applicable to substantive CCPCs.

Privacy notice

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

Summary of tax and credits

Federal tax

Part I tax payable from amount M on page 8	700	
Part II.2 tax payable from Schedule 56	705	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part VI.2 tax payable from Schedule 67	725	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
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	51,494
Total tax payable	770	51,494 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	
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	280,178
Total credits	890	280,178 ▶ 280,178 B

Balance (amount A **minus** amount B) -228,684

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

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

Refund code 894 1 Refund 228,684 Balance owing

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

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

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

If this return was prepared by a tax preparer for a fee, provide their: EFILE number 920 D4481

RepID 925

Certification

I, 950 Huneault (Last name) 951 Catherine (First name) 954 Chief Financial Officer (Position, office, or rank),
am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 Date (yyyy/mm/dd) — Signature of the authorized signing officer of the corporation — 956 (705) 675-7536 Telephone number

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

958 Name of other authorized person — 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

Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.
86593 7593 RC0002
Period ended December 31, 2023
Regulation 1101(5b.1) Election

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

Greater Sudbury Hydro Inc.

86593 7593 RC0002

December 31, 2023

Subsection 13(7.4)
Election to reduce capital cost of depreciable property where inducement received

I, Catherine Huneault, being Chief Financial Officer and authorized signee for Greater Sudbury Hydro Inc., hereby elect to have subsection 13(7.4) apply to reduce the capital cost of the depreciable property listed below with respect of assistance received in the 2023 taxation year.

Amount of assistance and the date it was received

Description	Date Received	Amount
Contributions in aid	2023	$1,780,099.00
	Subsection 13(7.4) elected amount	$1,780,099.00

The elected amount above has been included in income under paragraph 12(1)(x) for the taxation year in which it was received.

Catherine Huneault
Chief Financial Officer

Date

Financial Statements of

GREATER SUDBURY HYDRO INC. / HYDRO DU GRAND SUDBURY INC.

And Independent Auditor's Report thereon

Year ended December 31, 2023

KPMG LLP
Times Square
1760 Regent Street, Unit 4
Sudbury, ON P3E 3Z8
Canada
Telephone 705 675 8500
Fax 705 675 7586

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Greater Sudbury Hydro Inc. / Hydro du Grand Sudbury Inc.

Opinion

We have audited the financial statements of Greater Sudbury Hydro Inc. / Hydro du Grand Sudbury Inc. (the "Corporation"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of income and comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

April 22, 2024

GREATER SUDBURY HYDRO INC. / HYDRO DU GRAND SUDBURY INC.

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Accounts receivable (note 5)	$ 12,032,879	$ 11,720,292
Unbilled revenue:		
Energy sales	9,845,624	9,303,947
Distribution	2,267,608	2,224,630
Prepaid expenses	549,449	212,955
Payments in lieu of taxes recoverable (note 8)	44,195	357,660
	24,739,755	23,819,484
Property, plant and equipment (note 6)	124,405,212	120,222,994
Intangible assets (note 7)	197,507	111,258
Investment in ConverGen Inc.	400,000	400,000
Total assets	149,742,474	144,553,736
Regulatory deferral account debit balances (note 10)	23,263,043	23,297,180
Total assets and regulatory balances	$ 173,005,517	$ 167,850,916

See accompanying notes to financial statements.

GREATER SUDBURY HYDRO INC. / HYDRO DU GRAND SUDBURY INC.

Statement of Financial Position (continued)

December 31, 2023, with comparative information for 2022

	2023	2022
Liabilities and Shareholder's Equity		
Current liabilities:		
Bank indebtedness (note 4)	$ 8,003,344	$ 5,260,558
Accounts payable and accrued liabilities	4,705,435	5,552,258
Payment in lieu of taxes (note 8)	-	-
Payable for energy purchases	9,366,074	8,811,760
Current portion of long-term obligations (note 12)	1,017,410	1,224,608
	23,092,263	20,849,184
Deferred revenue (note 9)	10,901,313	9,762,391
Deferred payment in lieu of taxes (note 8)	3,010,008	3,144,149
Promissory note payable (note 11)	48,645,457	48,645,457
Long-term obligations (note 12)	23,472,632	24,286,303
Total liabilities	109,121,673	106,687,484
Shareholder's equity:		
Share capital (note 14)	20,848,052	20,848,052
Retained earnings	38,325,519	34,993,946
Accumulated other comprehensive income	840,333	1,131,211
	60,013,904	56,973,209
Total liabilities and shareholder's equity	169,135,577	163,660,693
Regulatory deferral account credit balances (note 10)	3,869,940	4,190,223
Commitments and contingencies (note 15)		
Guarantees (note 16)		
Total liabilities, regulatory balances and equity	$ 173,005,517	$ 167,850,916

See accompanying notes to financial statements.

Approved by the Board of Directors:

_______________________________ Director

_______________________________ Director

GREATER SUDBURY HYDRO INC. / HYDRO DU GRAND SUDBURY INC.

Statement of Income and Comprehensive Income

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue: (note 20)		
Energy sales	$ 102,852,575	$ 104,989,039
Distribution	27,695,056	26,412,341
	130,547,631	131,401,380
Conservation revenue	-	4,987
Other operating revenue	3,211,170	3,012,987
	133,758,801	134,419,354
Expenses:		
Cost of energy	102,241,258	106,785,204
Distribution - operations	7,509,410	7,383,070
Depreciation of property, plant and equipment	4,853,253	4,367,491
General administration	4,795,715	4,171,661
Interest on promissory note payable	3,531,660	3,531,660
Billing and collecting	2,623,840	2,387,702
Distribution - maintenance	1,926,351	1,590,144
Interest on long-term obligations	1,150,873	646,360
Recoverable expenses	954,320	939,179
Loss on disposal of property, plant and equipment	435,489	377,139
Amortization of intangible assets	16,101	3,946
Conservation and demand management	-	3,935
	130,038,270	132,187,491
Income before tax and regulatory items	3,720,531	2,231,863
Payment (recovery) in lieu of taxes (note 8)	(23,725)	1,513,565
Net income	3,744,256	718,298
Net movement in regulatory balances, net of tax (note 10)	(412,683)	469,274
Net income after net movements in regulatory balances, net of tax	3,331,573	1,187,572
Other comprehensive income:		
Item that may be subsequently reclassified to net income:		
Change in fair value of cash flow hedge (note 12)	(290,878)	1,131,211
Items that will not be reclassified to net income:		
Remeasurement of employee future benefit obligation (note 13)	(698,829)	6,328,218
Net movement in regulatory balances related to other comprehensive income (note 10)	698,829	(6,328,218)
Total comprehensive income	$ 3,040,695	$ 2,318,783

See accompanying notes to financial statements.

GREATER SUDBURY HYDRO INC. / HYDRO DU GRAND SUDBURY INC.

Statement of Changes in Equity

Year ended December 31, 2023, with comparative information for 2022

	Share Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2022	$ 20,848,052	$ 33,806,374	$ -	$ 54,654,426
Net income after net movements in regulatory balances, net of tax	-	1,187,572	-	1,187,572
Other comprehensive income	-	-	1,131,211	1,131,211
Balance, December 31, 2022	20,848,052	34,993,946	1,131,211	56,973,209
Net income after net movements in regulatory balances, net of tax	-	3,331,573	-	3,331,573
Other comprehensive loss	-	-	(290,878)	(290,878)
Balance, December 31, 2023	$ 20,848,052	$ 38,325,519	$ 840,333	$ 60,013,904

See accompanying notes to financial statements.

GREATER SUDBURY HYDRO INC. / HYDRO DU GRAND SUDBURY INC.

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Comprehensive income	$ 3,040,695	$ 2,318,783
Items not involving cash:		
Depreciation of property, plant and equipment	5,324,597	4,826,478
Amortization of intangible assets	16,101	3,946
Non-cash employee future benefit obligation	1,298,584	(5,764,248)
Loss on disposal of property, plant and equipment	435,489	377,139
Loss (gain) on swap contract	290,878	(1,162,191)
Amortization of deferred revenue	(80,605)	(259,063)
Payment (recovery) in lieu of taxes	(23,725)	1,513,565
	10,302,014	1,854,409
Changes in non-cash working capital:		
Accounts receivable	(312,587)	(520,547)
Prepaid expenses	(336,494)	(19,021)
Unbilled revenue:		
Energy sales	(541,677)	(508,017)
Distribution	(42,978)	(52,570)
Customer deposits	(116,185)	(100,825)
Regulatory assets/liabilities	(286,146)	5,858,944
Accounts payable and accrued liabilities	(846,823)	653,845
Deferred revenue	(560,572)	558,115
Payable for energy purchases	554,314	234,819
	7,812,866	7,959,152
Employee future benefits paid	(586,926)	(507,801)
Payment in lieu of taxes recovered	203,049	334,890
	7,428,989	7,786,241
Investing activities:		
Purchase of property, plant and equipment	(10,031,270)	(9,870,911)
Contributions in aid of construction	1,780,099	1,098,918
Proceeds on disposal of property, plant and equipment	88,966	343,303
Increase (decrease) in developer contributions	(1,309,840)	236,794
Purchase of intangible assets	(102,350)	(39,459)
	(9,574,395)	(8,231,355)
Financing activities:		
Repayment of term and bank loans	(597,380)	(578,377)
Increase in bank indebtedness during the year	(2,742,786)	(1,023,491)
Bank indebtedness, beginning of year	(5,260,558)	(4,237,067)
Bank indebtedness, end of year	$ (8,003,344)	$ (5,260,558)

See accompanying notes to financial statements.

Greater Sudbury Hydro Inc./Hydro du Grand Sudbury Inc. (the "Corporation") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the City of Greater Sudbury. The address of the Corporation's registered office is 500 Regent Street, P.O. Box 250/500 rue Regent, CP 250, Sudbury ON P3E 3Y2.

The Corporation delivers electricity and related energy services to residential and commercial customers in the City of Greater Sudbury and parts of the Municipality of West Nipissing. The Corporation is wholly owned by Greater Sudbury Utilities Inc. / Services Publics du Grand Sudbury Inc. which is itself wholly owned by the City of Greater Sudbury / Ville du Grand Sudbury.

1. Basis of presentation:

(a) Statement of compliance:

The Corporation's financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on April 22, 2024.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency:

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

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements is included in the following notes:

- Note 6 – Property, plant and equipment
- Note 10 – Regulatory balances
- Note 13 – Employee future benefits
- Note 15 – Commitments and contingencies

1. Basis of presentation (continued):

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

i) Measurement of fair values:

When measuring the fair value of an asset or liability, the Corporation uses observable market data as much as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities:
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurements.

The Corporation recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the changed occurred.

(e) Rate regulation:

The Corporation is regulated by the Ontario Energy Board (“OEB”), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies (“LDCs”), such as the Corporation, which may include, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

1. Basis of presentation (continued):

(e) Rate regulation (continued):

Rate setting:

i) Distribution revenue:

For the distribution revenue related to electricity sales, the Corporation typically files a Cost of Service ("COS") rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenses, debt and shareholder's equity required to support the Corporation's business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and intervenors and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand ("GDP IPI-FDD") net of a "stretch factor" determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

On November 2, 2021 the Corporation filed an IRM requesting a 3.00% increase to distribution rates for the period of May 1, 2022 to April 30, 2023. The IRM was approved on March 24, 2022.

On November 22, 2022 the Corporation filed an IRM requesting a 3.40% increase to distribution rates for the period of May 1, 2023 to April 30, 2024. The IRM was approved on March 23, 2023.

On October 11, 2023 the Corporation filed an IRM requesting a 4.50% increase to distribution rates for the period of May 1, 2024 to April 30, 2025. The IRM was approved on March 21, 2024.

ii) Electricity rates:

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

2. Material accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Regulation:

The following regulatory treatments have resulted in accounting treatments which differ from those prescribed by IFRS for enterprises operating in an unregulated environment and regulated entities that have not adopted IFRS 14, Regulatory Deferral Accounts ("IFRS 14").

(b) Regulatory balances:

The Corporation has adopted IFRS 14 as an interim standard giving entities conducting rate-regulated activities the option of continuing to recognize regulatory balances according to their previous GAAP. Regulatory balances provide useful information about the Corporation's financial position, financial performance and cash flows. IFRS 14 will remain in force until either repealed or replaced by permanent guidance on rate-regulated accounting from the IASB.

The Corporation has determined that certain asset and liability balances arising from rate-regulated activities qualify for the application of regulatory accounting treatment in accordance with IFRS 14 and the accounting principles prescribed by the OEB in the Accounting Procedures Handbook for Electricity Distributors. Under rate-regulated accounting, the timing and recognition of certain expenses and revenues may differ from those otherwise expected under other IFRS in order to appropriately reflect the economic impact of regulatory decisions regarding the Corporation's regulated revenues and expenditures. These amounts arising from timing differences are recorded as regulatory asset and liability balances on the Corporation's balance sheet, and represent existing rights and obligations regarding cash flows expected to be recovered from or refunded to customers, based on decisions and approvals by the OEB.

Regulatory deferral account asset balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. These amounts have been accumulated and deferred in anticipation of their future recovery in electricity distribution rates. Regulatory deferral account liability balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account asset balances are recognized if it is probable that future billings in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in profit and loss. The asset balance is reduced by the amount of customer billings as electricity is delivered to the customer and the customer is billed at rates approved by the OEB for the recovery of the capitalized costs.

2. Material accounting policies (continued):

(b) Regulatory balances (continued):

Regulatory deferral account liability balances are recognized if it is probable that future billings in an amount at least equal to the liability balance will be reduced as a result of rate-making activities. The offsetting amount is recognized in profit and loss. The liability balance is reduced by the amounts returned to customers as electricity is delivered to the customer at rates approved by the OEB for the return of the regulatory account liability balance.

The probability of recovery or repayment of the regulatory account balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover or repay the balance. Any resulting impairment loss is recognized in profit and loss in the year incurred.

Regulatory deferral accounts attract interest at OEB prescribed rates. In 2023, the interest rate was 4.73% for the first quarter, 4.98% for the second and third quarter and 5.49% for the fourth quarter. Regulatory balances can be recognized for rate-setting and financial reporting purposes only if the OEB directs the relevant regulatory treatment or if future OEB direction is determined by management to be probable. In the event that the disposition of these balances is assessed to no longer be probable based on management's judgment, the balances are recorded in the Corporation's statement of income and comprehensive income in the period when the assessment is made. Regulatory balances that do not meet the definition of an asset or liability under any other IFRS are segregated on the statement of financial position as regulatory deferral account debit/credit balances and on the statement of income and comprehensive income as net movements in regulatory balances, net of tax. The netting of regulatory debit and credit balances is not permitted.

The measurement of regulatory balances is subject to certain estimates and assumptions, including assumptions made in the interpretation of the OEB's regulations and decisions.

(c) Financial instruments:

At initial recognition, the Corporation measures its financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Corporation changes its business model for managing financial assets.

2. Material accounting policies (continued):

(c) Financial instruments (continued):

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

Hedging items and hedged items are presented in the financial statements in the same manner as other assets and liabilities. For derivative instruments that qualify for hedge accounting and which are designated as cash flow hedges, the effective portion of any gain or loss, is reported as a component of accumulated other comprehensive income. Any gains or losses that represent either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in results of operations.

(d) Revenue recognition:

i) Sale and distribution of electricity:

Electricity sales are recognized as the electricity is delivered to customers and includes the amounts billed to customers for electricity, including the cost of electricity supplied, distribution, and any other regulatory charges. Electricity revenue is recorded on the basis of regular meter readings and estimated customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

2. Material accounting policies (continued):

(d) Revenue recognition (continued):

ii) Capital contributions:

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are not accounted for under IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). Cash contributions received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15. The contributions are received to obtain a connection to the distribution system in order to receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

iii) Other operating revenue:

Other operating revenue includes revenue from services ancillary to the electricity distribution, pole rentals, and other regulatory service charges.

(e) Capital inventory:

Capital inventory, which is included within capital inventory and construction in progress comprising of material and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the material and supplies and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

2. Material accounting policies (continued):

(f) Property, plant and equipment:

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment ("PP&E") have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on the disposal of an item of PP&E are determined by comparing the proceeds from disposal, if any, with the carrying amount of the item of PP&E and are recognized in the statement of income and comprehensive income.

Spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in income as incurred.

Depreciation is calculated over the depreciable amount and is recognized in income on a straight-line basis over the estimated useful life of each part or component of an item of PP&E. The depreciable amount is cost. Land and capital inventory are not depreciated. Construction-in-progress assets are not depreciated until the project is complete and in service.

The estimated useful lives are as follows:

Buildings	15 - 50 years
Distribution equipment	20 – 50 years
Other fixed assets	5 – 25 years

Depreciation is taken at 50% of the above rates in the year of acquisition.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

2. Material accounting policies (continued):

(g) Intangible assets:

i) Computer software:

Computer software that is acquired or developed by the Corporation, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization and accumulated impairment losses.

ii) Land rights:

Payments to obtain rights to access land (land rights) are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title.

iii) Amortization:

Amortization is recognized within profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than land rights, from the date that they are available for use. The estimated useful lives are:

Computer software	5 years
Land rights	Not amortized

Amortization is taken at 50% of the above rates in the year of acquisition.

Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate.

(h) Impairment:

i) Financial assets measured at amortized cost:

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for that asset.

ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than capital inventories and deferred payment in lieu of taxes at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

2. Material accounting policies (continued):

(h) Impairment (continued):

ii) Non-financial assets (continued):

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in income or loss.

For assets other than goodwill, impairment recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Provisions:

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(j) Employee future benefits:

i) Pension plan:

The Corporation provides a pension plan for all its full-time employees through the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund (the "Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings for the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

2. Material accounting policies (continued):

(j) Employee future benefits:

i) Pension plan (continued):

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan with employee benefit expense recorded in net income when they are due.

ii) Post-employment benefits, other than pension:

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The cost of these benefits is expensed as earned by employees through employment service. The accrued benefit obligations and the current service costs are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Actuarial gains and losses arising from defined benefit plans are recognized immediately in other comprehensive income and reported in accumulated other comprehensive income. As part of the settlement proposal for its 2020 Cost of Service application, the Corporation was approved for the recovery of the actuarial gains and losses. Additional information with respect to this regulatory balance is presented in note 10(e).

(k) Deferred revenue and assets transferred from customers:

Certain customers and developers are required to contribute towards the capital cost of construction in order to provide ongoing service. When an asset is received as a capital contribution, the asset is initially recognized at its fair value, with the corresponding amount recognized as a developer contribution within long-term obligations. When the capital project is complete, the amount is transferred to deferred revenue. Deferred revenue represents the Corporation's obligation to continue to provide customers access to the supply of electricity, and is amortized to income on a straight-line basis over the economic useful life of the acquired or contributed asset, which represents the period of ongoing service to the customer.

(l) Finance income and finance costs:

Finance income comprises interest earned on cash and on regulatory assets.

Finance charges comprise interest expense on borrowings and regulatory liabilities. Finance costs are recognized as an expense.

2. Material accounting policies (continued):

(m) Payment in lieu of taxes:

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity, in which case, the tax is also recognized directly in other comprehensive income or equity, respectively.

The Corporation is currently exempt from taxes under the *Income Tax Act* (Canada) and the *Ontario Corporations Tax Act* (collectively the "Tax Acts"). Under the *Electricity Act, 1998*, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the *Income Tax Act* (Canada) and the *Corporations Tax Act* (Ontario) as modified by the *Electricity Act, 1998*, and related regulation. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes ("PILS") are referred to as income taxes.

Current tax is the tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method. Under this method, deferred income taxes reflect the net tax effects of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

(n) Leased assets:

At inception of a contract, the Corporation will assess whether the contract is or contains a lease. A contract is determined to contain a lease if it provides the Corporation with the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts determined to contain a lease are accounted for as leases. For leases and contracts that contain a lease, the Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2. Material accounting policies (continued):

(n) Leased assets (continued):

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability if required.

The lease liability is initially measured at the present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less or for leases of low value assets. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(o) Future changes in accounting policy:

Certain amendments to standards are effective for annual periods beginning after January 2024 and earlier application is permitted; however, the Corporation has not early adopted them in preparing these financial statements.

3. Changes in material accounting policies:

The Corporation adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) on January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

4. Bank credit facility:

The Corporation has access to an $8,000,000 credit facility (2022 - $8,000,000). The credit facility is only drawn upon in instances where the combined cash balance of the consolidated Greater Sudbury Utilities entity is in a negative position. As at December 31, 2023, $Nil (2022 – $Nil) was drawn on the credit facility.

5. Accounts receivable:

	2023	2022
Electricity	$ 10,620,732	$ 10,053,247
Other	1,895,862	2,282,455
	12,516,594	12,335,702
Allowance for doubtful accounts:		
Balance, beginning of year	(615,410)	(738,600)
Increase (decrease) in provision	(308,074)	235,315
Accounts receivable write-offs (recoveries)	439,769	(112,125)
Balance, end of year	(483,715)	(615,410)
	$ 12,032,879	$ 11,720,292

6. Property, plant and equipment:

Cost:

		Land and Buildings	Distribution Equipment	Other Fixed Assets	Capital Inventory and Construction in Progress		Total
Balance, January 1, 2022	$	16,449,355	209,876,680	15,994,253	2,600,752	$	244,921,040
Additions (net of transfers)		192,813	5,522,082	973,102	3,182,914		9,870,911
Disposals/retirements		-	(1,682,349)	(953,753)	-		(2,636,102)
Balance, December 31, 2022		16,642,168	213,716,413	16,013,602	5,783,666		252,155,849
Additions (net of transfers)		73,467	8,563,338	476,667	917,798		10,031,270
Disposals/retirements		(49,715)	(2,239,023)	(972,150)	-		(3,260,888)
Balance, December 31, 2023	$	16,665,920	220,040,728	15,518,119	6,701,464	$	258,926,231

Accumulated depreciation:

		Land and Buildings	Distribution Equipment	Other Fixed Assets	Capital Inventory and Construction in Progress		Total
Balance, January 1, 2022	$	7,895,980	109,000,952	12,125,105	-	$	129,022,037
Depreciation charge		438,651	3,756,798	631,029	-		4,826,478
Disposals		-	(1,157,559)	(758,101)	-		(1,915,660)
Balance, December 31, 2022		8,334,631	111,600,191	11,998,033	-		131,932,855
Depreciation charges		440,448	4,239,593	644,556	-		5,324,597
Disposals		(38,176)	(1,730,810)	(967,447)	-		(2,736,433)
Balance, December 31, 2023	$	8,736,903	114,108,974	11,675,142	-	$	134,521,019

Carrying amounts:

		Land	Buildings	Distribution Systems	Capital Inventory and Construction in Progress		Total
At December 31, 2022	$	8,307,537	102,116,222	4,015,569	5,783,666	$	120,222,994
At December 31, 2023		7,929,017	105,931,754	3,842,977	6,701,464		124,405,212

7. Intangible assets:

(a) Cost:

	Computer Software	Land Rights	Total
Balance, at January 1, 2022	$ 718,282	$ 75,635	$ 793,917
Additions	39,459	–	39,459
Balance, at December 31, 2022	757,741	75,635	833,376
Additions	82,086	20,264	102,350
Balance, at December 31, 2023	$ 839,827	$ 95,899	$ 935,726

(b) Accumulated amortization:

	Computer Software	Land Rights	Total
Balance, at January 1, 2022	$ 718,172	$ –	$ 718,172
Amortization charges	3,946	–	3,946
Balance, at December 31, 2022	722,118	–	722,118
Amortization charges	16,101	–	16,101
Balance, at December 31, 2023	$ 738,219	$ –	$ 738,219

(c) Carrying amounts:

	Computer Software	Land Rights	Total
At December 31, 2022	$ 35,623	$ 75,635	$ 111,258
At December 31, 2023	101,608	95,899	197,507

8. Payment in lieu of taxes (PILS):

Current PILS expense:

	2023	2022
Current payments in lieu of taxes	$ 81,458	$ 103,472
Other adjustment to prior years	28,958	(85,244)
	$ 110,416	$ 18,228

Deferred PILS expense (recovery):

	2023	2022
Origination and reversal of timing differences	$ 720,678	$ 1,199,189
Adjustment to prior years	(854,819)	296,148
	$ (134,141)	$ 1,495,337
Payment (recovery) in lieu of taxes	$ (23,725)	$ 1,513,565

	2023	2022
Rate reconciliation before net movements in regulatory balances:		
Comprehensive income before PILS and regulatory items	$ 3,429,653	$ 3,363,074
Statutory Canadian federal and provincial income tax rate	26.5%	26.5%
PILS using the Corporation's statutory rate	908,858	891,215
Adjustment to prior years	(825,861)	210,904
Regulatory movements	(279,247)	408,565
Other	172,525	2,881
Payment (recovery) in lieu of taxes	$ (23,725)	$ 1,513,565

8. Payment in lieu of taxes (PILS) (continued):

All deferred tax liabilities are expected to be settled after 12 months. The tax effect of temporary differences that give rise to deferred tax liabilities are as follows:

	Employee Benefits	Plant and Equipment	Regulatory Adjustment	Other	Total
Balance, December 31, 2021	5,206,081	(1,176,989)	(7,776,211)	$ 2,098,307	$ (1,648,812)
Change in deferred tax balance	(1,662,093)	(671,542)	1,798,710	(960,412)	(1,495,337)
Balance, December 31, 2022	3,543,988	(1,848,531)	(5,977,501)	1,137,895	(3,144,149)
Change in deferred tax balance	188,590	(306,624)	44,981	207,194	134,141
Balance, December 31, 2023	$ 3,732,578	$ (2,155,155)	$ (5,932,520)	$ 1,345,089	$ (3,010,008)

9. Deferred revenue:

Deferred revenue is comprised of capital contributions from developers to construct or acquire property, plant and equipment for the purpose of connecting future customers to the Corporation's distribution network. Capital contributions received from developers are recognized as deferred revenue and are amortized into revenue at an equivalent rate to that used for the depreciation of the related property, plant and equipment. As at December 31, 2023, unamortized capital contributions amounted to $10,901,313 (2022 - $9,762,391).

10. Regulatory balances:

The following is a reconciliation of the carrying amount for each class of regulatory deferral account balances:

	January 1, 2023	Balances arising in the period	Recovery/ (reversal)	December 31, 2023
IFRS deferral (a)	$ 1,597,512	$ 170,457	$ (798,443)	$ 969,526
Cost of service (c)	267,255	(27,527)	–	239,728
Group 1 variance accounts (d)	2,640,436	(85,231)	(398,192)	2,157,013
OPEB regulatory deferrals (e)	18,525,566	884,019	–	19,409,585
Incremental pole rental revenue (j)	237,607	219,679	–	457,286
Deferred rate implementation (f)	28,804	1,101	–	29,905
Regulatory assets	$ 23,297,180	$ 1,162,498	$ (1,196,635)	$ 23,263,043
Advanced Capital Module - Cressey (i)	$ 322,730	$ (135,923)	$ 313,015	$ 499,822
Tax related variance accounts (g)	347,496	2,122	–	349,618
Deferred payment in lieu of taxes (h)	3,449,653	(455,888)	–	2,993,765
LRAMVA (b)	70,793	(43,609)	–	27,184
Fixed charge billing error	(449)	–	–	(449)
Regulatory liabilities	$ 4,190,223	$ (633,298)	$ 313,015	$ 3,869,940

	January 1, 2022	Balances arising in the period	Recovery/ (reversal)	December 31, 2022
IFRS deferral (a)	$ 2,218,640	$ 170,457	$ (791,585)	$ 1,597,512
Cost of service (c)	369,668	(102,413)	–	267,255
Group 1 variance accounts (d)	1,037,166	1,398,984	204,286	2,640,436
OPEB regulatory deferrals (e)	26,530,762	(8,005,196)	–	18,525,566
Incremental pole rental revenue (j)	–	237,607	–	237,607
Deferred rate implementation (f)	335,305	807	(307,308)	28,804
Regulatory assets	$ 30,491,541	$ (6,299,754)	$ (894,607)	$ 23,297,180
Advanced Capital Module - Cressey (i)	$ 141,784	$ (135,923)	$ 316,869	$ 322,730
Tax related variance accounts (g)	362,807	(15,311)	–	347,496
Deferred payment in lieu of taxes (h)	4,054,151	(604,498)	–	3,449,653
LRAMVA (b)	47,996	22,797	–	70,793
Fixed charge billing error	918,902	–	(919,351)	(449)
Regulatory liabilities	$ 5,525,640	$ (732,935)	$ (602,482)	$ 4,190,223

10. Regulatory balances (continued):

The regulatory deferral account balances are recovered or settled through rates set by the OEB which are determined using estimates of the Corporation's future number of electricity customers as well as estimates of future electricity consumption by customers.

The Corporation has received approval from the OEB to establish its regulatory deferral account balances.

The regulatory balances of the Corporation consist of the following:

a) IFRS deferral:

As part of its 2020 Cost of Service application, the Corporation was approved to dispose of the costs accumulated between 2013 and 2019 related to the IFRS-CGAAP transitional property, plant and equipment losses that did not form part of its 2013 rate base. The Corporation will recover these costs over a 5-year period. For the year ended December 31, 2023, the Corporation recorded an increase of $170,457 (2022 – $170,457) and recovered $798,443 (2022 – $791,585) from rate payers related to this balance.

b) LRAMVA:

The Lost Revenue Adjustment Mechanism variance account (“LRAMVA”) was established to capture the variance between the Conservation and Demand Management (“CDM”) adjustment to a distributor’s OEB-approved load forecast and the actual CDM results at the customer rate class level. When disposing of this regulatory asset, the Corporation must provide evidence to the OEB to support the claim. The Corporation was approved to dispose of these funds for recovery from rate payers through its 2021 IRM application and for repayment to ratepayers as part of its 2023 IRM application.

For the year ended December 31, 2023, the Corporation has recorded a liability of $27,184 (2022 – $70,793) and was approved to dispose of a liability of $70,793 (2022 – $48,008).

c) Cost of service accrual:

The Ontario Energy Board’s Accounting Procedure Handbook allows for the deferral of regulatory expenses, that by approval or direction of the Board, are to be spread over future periods. During 2019 and 2020, the Corporation worked on and received approval of its Cost of Service application. The amounts in this account reflect the associated costs incurred to the end of 2020. The amount in this account will be amortized to the income statement annually over 5 years by charges to this account. For the year ended December 31, 2023, the Corporation recognized $107,985 (2022 - $107,985) within operating expenses and recorded an increase of $70,000 (2022 – $Nil) related to its future application.

10. Regulatory balances (continued):

d) Group 1 variance accounts:

Group 1 variance accounts consist of retail settlement variance accounts. These accounts represent the difference between the amount paid by the Corporation to its power supplier for the cost of energy and the amount billed by the Corporation to its customers as energy sales, and related carrying costs, which are recorded on the statement of financial position as retail settlement variances until their final disposition is decided by the OEB. The Corporation recognizes retail settlement variances as an asset or liability based on the expectation that these amounts will be approved by the OEB for future collection from, or refund to, customers through the rate setting and approval process. The retail settlement variance asset represents the surplus of amounts billed by the IESO for the cost of energy compared to the amounts charged to customers as energy sales.

Settlement of the deferral accounts is done on an annual basis through the rate application to the OEB. The net balance of the retail settlement variances must meet a certain threshold in order to dispose of these balances. The Corporation was approved to dispose of a portion of these balances for recovery from rate payers through its 2022 IRM application. The amount included in the 2023 IRM application did not exceed the threshold and therefore the balance was not requested for disposition. The amount included in the 2024 IRM application representing balances as of December 31, 2022 was approved for disposal.

e) OPEB regulatory deferrals:

As part of its 2020 Cost of Service application, the Corporation was approved to establish a new “Other Post-Employment Benefit (“OPEB”) Cash to Accrual Transitional Amount” deferral account. The Corporation previously recovered OPEBs through rates on a cash basis and has transitioned to recover on an accrual basis in 2020. Guidance was provided to utilities with respect to the transition between cash and accrual methods of recovery of the OPEB obligation through rates within the *Report of the Ontario Energy Board – Regulatory Treatment of Pension and OPEB costs* dated September 14, 2017. Included within the balance recorded at December 31, 2023 is $26,089,910 (2022 - $26,089,910) relating to the recovery of the OPEB obligation utilizing an accrual approach which will be recovered through rate payers in future years.

The Corporation was also approved to establish a new “OPEB Actuarial Gains and Losses Deferral Account” to record the cumulative actuarial gains and losses for future recovery or repayment to ratepayers should the gains and losses that are tracked in this account not substantially offset over time. The balance arising during the year ended December 31, 2023 is comprised of an actuarial loss of $698,829 (2022 – gain of $6,328,218) and an associated deferred tax liability impact of $185,190 (2022 – asset of $1,676,978). At December 31, 2023, the cumulative net position is an actuarial gain payable to rate payers in future rates.

10. Regulatory balances (continued):

e) OPEB regulatory deferrals (continued):

These balances represent management's best estimate of the transitional balance and the expected recovery based on the guidance available as of the date of these financial statements. The balance will be reviewed with the Corporation's next Cost of Service application and a mechanism to recover the balance will be proposed at that time. The final decision on the approval of disposition will be subject to a prudence review in the next Cost of Service proceeding with any adjustment recorded in the period the approval for disposition is received.

f) Deferred rate implementation:

As part of the Corporation's settlement proposal for its 2020 Cost of Service application, it requested approval to defer the implementation of its May 1, 2020 rate increase in line with the option allowed to other distributors by the OEB for May 1, 2020 rate increases in order to offer relief to customers as a result of the COVID-19 pandemic. The Corporation's request was approved and its May 1, 2020 rate increase was deferred to November 1, 2020. This account represents the revenue that was foregone during the period of May 1 to October 31, 2020 and the amounts subsequently recovered from ratepayers. The Corporation was approved to begin recovering this balance over a 1-year period as part of its 2021 IRM application. For the year ended December 31, 2023, the Corporation recovered $19 from rate payers (2022 - $307,308).

g) Tax related variance accounts:

This balance arose from the revenue requirement impact of accelerated capital cost allowance deductions from the Accelerated Investment Incentive tax measure which received Royal Assent on June 21, 2019. Any balance in this account will be proposed for disposition as part of the Corporation's next Cost of Service application.

h) Deferred payment in lieu of taxes:

This regulatory deferral account relates to the expected future electricity distribution rate reduction for customers arising from timing differences in the recognition of deferred tax assets and other approved recoveries. As at December 31, 2023, the Corporation has recorded a deferred tax liability of $2,993,765 (2022 - $3,449,653) with respect to its rate-regulated activities. In the absence of rate regulation this regulatory balance and the retained earnings impact would not be recorded.

i) Advanced Capital Module – Cressey:

As part of its 2020 Cost of Service application, the Corporation was approved for an Advanced Capital Module ("ACM") for its Cressey Substation. The ACM is a funding mechanism that allows incremental funding requests for discrete projects that are part of a distributor's Distribution System Plan, that will be put into service during the incentive rate-setting term. The mechanism helps promote manageable rate impacts over the long-term.

10. Regulatory balances (continued):

j) Advanced Capital Module – Cressey (continued):

The Cressey Substation was built in 2021 for a total cost of $4,750,994. Accounting guidance provided by the OEB would have the Corporation record the asset as a regulatory asset, to be transferred to capital assets in the distributor's next Cost of Service rebasing year, however the Corporation has recorded the asset and associated accumulated depreciation within property, plant and equipment in accordance with the requirements under IFRS.

For the year ended December 31, 2023, the Corporation collected $313,015 (2022 - $316,869) from customers related to the ACM and has recorded this amount as a regulatory liability.

k) Incremental pole rental revenue:

Pole attachment charges are what electricity distributors charge third parties, such as telecommunications and cable companies, for access to their network of electricity poles. For the charge for 2023, the OEB adjusted the rate electricity distributors were to charge the third-party companies and the corresponding decrease in revenue is included in this account and will be requested for disposition as part of the Corporation's next Cost of Service application.

l) Net movement:

Reconciliation between the net movements in regulatory balances shown in the regulatory deferral account balances table and the net movements presented on the statement of income and comprehensive income is as follows:

		2023		2022
Total movements of regulatory assets per regulatory balances table	$	(34,137)	$	(7,194,361)
Total movements of regulatory liabilities per regulatory balances table		320,283		1,335,417
Total net movements	$	286,146	$	(5,858,944)
Net movement in regulatory balances, net of tax	$	(412,683)	$	469,274
Net movement in regulatory balances related to other comprehensive income		698,829		(6,328,218)
Total net movement per financial statements	$	286,146	$	(5,858,944)

10. Regulatory balances (continued):

For certain regulatory asset and liabilities identified above, the expected recovery or settlement period, or likelihood of recovery or settlement is affected by risks and uncertainties relating to the ultimate authority of the OEB in determining the item's treatment for rate-setting purposes. The Corporation continually assesses the likelihood of recovery of each of its regulatory assets and refund of each of its regulatory liabilities and continues to believe that the OEB will factor its regulatory assets and liabilities into the setting of future rates. If at some future date the Corporation determines that it is no longer probable that the OEB will include a regulatory asset or liability in future rates, the appropriate carrying amount will be charged to operations in the period the determination is made.

11. Promissory note payable:

The promissory note payable to the parent company Greater Sudbury Utilities Inc. / Services Publics du Grand Sudbury Inc. is unsecured and bears interest at a rate of 7.26% (2022 – 7.26%) per annum and has been subordinated to the Toronto-Dominion Bank as security on the Corporation's operating credit facilities.

The note is repayable in full on six months' written notice of the holder of the note. As at April 22, 2024, the holder has informed the Corporation it will not demand repayment of the note within one year.

During the year, interest totaling $3,531,660 (2022 - $3,531,660) was charged by Greater Sudbury Utilities Inc. / Services Publics du Grand Sudbury Inc. on the promissory note payable.

12. Long-term obligations:

	2023	2022
Employee future benefit obligation (note 13)	$ 14,085,202	$ 13,373,544
Multiple draw term loan (a)	369,261	533,807
Bank loan (b) and (e)	9,077,592	9,510,426
Customer deposits (c)	1,609,660	1,725,845
Developer contributions (d)	188,660	1,498,500
Interest rate swap at fair value (a) and (e)	(840,333)	(1,131,211)
	24,490,042	25,510,911
Less: current portion	(1,017,410)	(1,224,608)
	$ 23,472,632	$ 24,286,303

12. Long-term obligations (continued):

(a) On January 14, 2011, the Corporation was advanced monies under a reducing term, floating rate facility at a face amount of $2,000,000 to finance the purchase of the smart meters. Concurrent with the entry into the loan facility, to mitigate the Corporation's exposure to interest rate risk, the Corporation entered into an International Swaps and Derivatives Association, 2002 Master Agreement. The interest rate swap is used for non-speculative purposes to convert floating rate debt into fixed rate debt bearing interest at 3.796%. The TD bank multiple draw term loan is secured by a general security agreement representing a first charge on all the borrower's assets and undertakings, and an unlimited guarantee of advances executed by the borrower. The debt facility has a termination date of January 19, 2026. The unrealized gain or loss on this contract is included as a component of other comprehensive income for the year. As at December 31, 2023, the Corporation recorded an asset of $3,358 (2022 – $5,658).

(b) The Corporation entered into a financing agreement on January 12, 2015 with TD Equipment Finance in the amount of $971,604. The financing facility is payable in annual payments of $119,805 including interest at a fixed rate of 4.33% over the 120 month term and is secured by the underlying specified assets under financing. As at December 31, 2023 the net book value of these assets is $641,261 (2022 - $680,125).

(c) Customer deposits represent cash deposits from electricity distribution customers and retailers.

Deposits from electricity distribution customers are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

(d) Upon expansion of the Corporation's electricity distribution customer base, a developer is required to incur the cost to establish any necessary electricity infrastructure. This infrastructure is contributed to the Corporation and the Corporation then assumes the risks and responsibilities associated with the infrastructure. The Corporation is required to perform an analysis of the ongoing economic benefit it receives from the expansion, and a formulaic approach determines if a developer is entitled to recovery of the capital it contributed to the Corporation. These developer contributions represent the Corporation's estimated liability of amounts owed to developers pertaining to these expansions.

12. Long-term obligations (continued):

(e) The Corporation entered into an unsecured debt arrangement with TD Bank in the form of funds available via multiple draws, up to a maximum of $10,000,000 in total debt. The Corporation received a draw of $5,500,000 on March 26, 2020 bearing interest at a fixed rate of 1.976% and arranged a further draw of $4,500,000 on February 19, 2021 bearing interest at a fixed rate of 2.351%. The term of the draws are 10 years with 25-year amortization.

The Corporation has a series of interest rate swap contracts corresponding to this debt arrangement that were used to convert floating rate to fixed rate debt. The unrealized gain or loss on these contracts is included as a component of other comprehensive income for the year. As at December 31, 2023 the Corporation recorded an asset of $836,975 (2022 - $1,125,553).

Principal repayments relating to note 12 (a), (b), and (e) for the next 5 years are as follows:

2024	$ 617,756
2025	526,042
2026	358,734
2027	349,860
2028	357,423
Thereafter	7,237,038

13. Employee future benefits:

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-retirement costs in the period in which employees' services were rendered. The accrued benefit liability at December 31, 2023 of $14,085,202 was based on extrapolation of the last full actuarial valuation performed at December 31, 2022, using a discount rate of 4.65%.

The cost of providing benefits under the benefit plans is actuarially determined using the projected unit credit method, which incorporates management's best estimate of future salary levels, retirement ages of employees, health care costs, and other actuarial factors. Changes in actuarial assumptions and experience adjustments give rise to actuarial gains and losses. Actuarial gains and losses on medical, dental and life insurance benefits are recognized in OCI as they arise. Actuarial gains and losses related to rate-regulated activities are subsequently reclassified from OCI to a regulatory balance on the statement of financial position. Within the December 31, 2023 financial statements the actuarial losses were reclassified to a regulatory balance as described in note 10(e).

13. Employee future benefits (continued):

Changes in the present value of the defined benefit unfunded obligation and the accrued benefit liability are as follows:

	2023	2022
Employee future benefit obligation, beginning of year	$ 13,373,544	$ 19,645,593
Current service cost	43,802	75,786
Interest costs	555,953	488,184
Benefits paid during the year	(586,926)	(507,801)
Actuarial losses (gains) from remeasurement	698,829	(6,328,218)
Employee future benefit obligation, end of year	$ 14,085,202	$ 13,373,544

Components of net benefit expense recognized are as follows:

	2023	2022
Current service cost	$ 43,802	$ 75,786
Interest costs	555,953	488,184
Net benefit expense recognized	$ 599,755	$ 563,970

Actuarial gains and losses recognized in other comprehensive income are as follows:

	2023	2022
Cumulative amount at January 1	$ –	$ –
Recognized during the year	(698,829)	6,328,218
Reclassification to regulatory balance	698,829	(6,328,218)
Cumulative amount at December 31	$ –	$ –

The significant actuarial assumptions used in the valuation are as follows (weighted average):

	2023	2022
Accrued benefit obligation:		
Discount rate	4.65%	5.05%
Assumed health care cost trend rates:		
Initial benefit care cost trend rate	4.90%	4.70%
Initial dental benefit cost trend rate	5.10%	4.90%

13. Employee future benefits (continued):

The main actuarial assumptions utilized for the valuation are as follows:

- General inflation – future general inflation levels, as measured by the changes in the Consumer Price Index, were assumed at 2.00% in 2023, and thereafter (2022 – 2.00%).
- Discount (interest) rate – the discount rate used to determine the present value of future liabilities and the expense for the year ended December 31, 2023, was 4.65% (2022 – 5.05%).
- Salary levels – future general salary and wage levels were assumed to increase at 2.31% (2022 – 2.31%) up to December 31, 2023, and 2.50% per annum thereafter.
- Medical costs – medical costs were assumed to be 4.70% for 2023 and increase by 0.20% per annum.
- Dental costs – dental costs were assumed to be 4.90% for 2023 and increase by 0.20% - 0.30% per annum.

14. Share capital:

	2023	2022
Authorized:		
Unlimited common shares		
Issued:		
1,001 common shares	$ 20,848,052	$ 20,848,052

15. Commitments and contingencies:

General:

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. On an ongoing basis, the Corporation assesses the likelihood of any adverse judgments or outcomes as well as potential ranges of probable costs and losses. A determination of the provision required, if any, for these contingencies is made after an analysis of each individual issue. The provision may change in the future due to new developments in each matter or changes in approach, such as a change in settlement strategy. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

General liability insurance:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2023, no assessments have been made.

16. Guarantee:

The Corporation has issued a $9,048,386 letter of guarantee to the IESO. This was a requirement of the IESO for market opening on May 1, 2002. At December 31, 2023, no amounts have been drawn on this letter of guarantee.

17. Pension agreement:

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, defined benefit pension plan benefit with equal contributions by the employer and its employees. In 2023, the Corporation made employer contributions of $1,006,996 to OMERS (2022 - $980,958).

The Corporation estimates that a contribution of $1,123,991 will be made to OMERS during the next fiscal year.

18. Employee compensation:

	2023	2022
Salaries, wages and benefits	$ 12,195,127	$ 11,726,343
Contributions to OMERS	1,006,996	980,958
	$ 13,202,123	$ 12,707,301

19. Related party transactions:

The Corporation subcontracts its billing and collection of revenue, payment of purchases and all related government remittances, information services, accounting, payroll processing, financial reporting and treasury services to Greater Sudbury Hydro Plus Inc./Hydro Plus du Grand Sudbury Inc., a company related by common ownership.

The sole shareholder of the Corporation is Greater Sudbury Utilities Inc./Services Publics du Grand Sudbury Inc., which in turn is wholly-owned by the City of Greater Sudbury. The City produces financial statements that are available for public use.

Key management personnel:

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members, and their compensation is summarized below.

	2023	2022
Directors' fees	$ 68,001	$ 68,704
Salaries and benefits	990,707	955,986
	$ 1,058,708	$ 1,024,690

19. Related party transactions (continued):

Transactions with parent:

During the year, the Corporation paid promissory note interest to its parent in the amount of $3,531,660 (2022 - $3,531,660).

Transactions with ultimate parent (the City):

In the Corporation had the following significant transactions with its ultimate parent, a government entity:

- Electricity for all City owned properties totaling $6,654,448 (2022 - $6,281,975).
- The Corporation paid $253,701 (2022 - $246,965) to the City on account of municipal taxes.
- The Corporation delivers electricity to the City throughout the year for the electricity needs of the City and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB.

20. Revenues (in thousands):

The following table disaggregates revenues by type of customer (in thousands):

	2023	2022
Revenue from contracts with customers:		
Energy sales:		
Residential service	$ 45,749	$ 47,227
General service	51,309	49,433
Other	5,795	8,329
	102,853	104,989
Distribution revenue:		
Residential service	17,047	15,891
General service	9,941	9,843
Other	707	678
	27,695	26,412
Conservation revenue:		
Conservation recoveries	–	5
Revenue from other sources:		
Pole rental	880	877
Other charges	2,331	2,136
	3,211	3,013
	$ 133,759	$ 134,419

21. Financial instruments and risk management:

(a) Fair value disclosure:

Cash and cash equivalents and interest rate swap contracts are measured at fair value. Swap contracts are adjusted to fair value by using mark-to-market valuation established by TD Securities, a division of TD Bank Financial Group, as of the close of business on the last business day of the fiscal year. The fair value measurement of the financial instrument for which the fair value has been disclosed is included in Level 2 of the fair value hierarchy [Note 1(d)].

The carrying values of accounts receivables, unbilled revenue, bank indebtedness, accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

(b) Financial risks:

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

i) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable and unbilled revenue, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the City of Greater Sudbury. No single customer accounts for a balance in excess of 7% of total accounts receivable.

The carrying amount of accounts receivable is reduced through the use of an allowance for estimated credit losses and the amount of the related impairment loss is recognized in net income. Subsequent recoveries of receivables previously provisioned are credited to net income. The balance of the allowance for impairment at December 31, 2023 is $483,715 (2022 - $615,410). A write-off of $439,769 (2022 – recovery of $112,125) was recognized during the year.

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2023, approximately $1,245,768 (2022 - $1,670,765) is considered 46 days past due. The Corporation has over 47,000 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2023, the Corporation holds security deposits in the amount of $1,609,660 (2022 - $1,725,845).

21. Financial instruments and risk management (continued):

(b) Financial risks (continued):

i) Derivative instruments:

As detailed in note 12 to the financial statements, the Corporation has entered into a series of interest rate swap contracts totaling $8,479,045 (2022 - $8,673,897) and covering 98.5% (2022 – 97.3%) of long-term debt. These interest rate swap contracts were used to convert floating rate debt to fixed rate debt and qualify as cash flow hedges.

ii) Market risk:

Market risk primarily refers to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

iii) Liquidity risk:

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they come due. The credit facility discussed in note 4 is only drawn upon in instances where the combined cash balance of the consolidated Greater Sudbury Utilities entity is in a negative position.

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

iv) Capital disclosures:

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2023, shareholder's equity amounts to $60,013,904 (2022 - $56,973,209) and long-term debt amounts to $84,036,812 (2022 - $83,918,759).

22. Comparative information:

Certain 2022 comparative information has been reclassified to conform with the presentation adopted in 2023.

Schedule of Instalment Remittances

Name of corporation contact: Catherine Huneault
Telephone number: (705) 675-7536

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Instalments	280,178

Total amount of instalments claimed (carry the result to line 840 of the T2 Return)	280,178	**A**
Total instalments credited to the taxation year per T9	280,178	**B**

Transfer

	Account number	Taxation year end	Amount	Effective interest date	Description
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					

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Notes to the financial statements

GREATER SUDBURY HYDRO INC. /
HYDRO DU GRAND SUDBURY INC.
Notes to Financial Statements
Year ended December 31, 2023
Greater Sudbury Hydro Inc./Hydro du Grand Sudbury Inc. (the "Corporation") is a rate regulated,
municipally owned hydro distribution company incorporated under the laws of Ontario, Canada.
The Corporation is located in the City of Greater Sudbury. The address of the Corporation's
registered office is 500 Regent Street, P.O. Box 250/500 rue Regent, CP 250, Sudbury ONP3E 3Y2.
The Corporation delivers electricity and related energy services to residential and commercial
customers in the City of Greater Sudbury and parts of the Municipality of West Nipissing. The
Corporation is wholly owned by Greater Sudbury Utilities Inc. / Services Publics du Grand Sudbury
Inc. which is itself wholly owned by the City of Greater Sudbury / Ville du Grand Sudbury.1. Basis of presentation:
(a) Statement of compliance:
The Corporation's financial statements have been prepared in accordance with IFRSAccounting Standards as issued by the International Accounting Standards Board.
The financial statements were approved by the Board of Directors on April 22, 2024.(b) Basis of measurement:
These financial statements have been prepared on the historical cost basis, unlessotherwise stated.
(c) Functional and presentation currency:
These financial statements are presented in Canadian dollars, which is the Corporation's
functional currency. All financial information presented in Canadian dollars has beenrounded to the nearest dollar.
(d) Use of estimates and judgments:
The preparation of financial statements in conformity with IFRS requires management to
make judgments, estimates and assumptions that affect the application of accounting
policies and the reported amounts of assets, liabilities, income and expenses anddisclosure of contingent assets and liabilities. Actual results may differ from thoseestimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to
accounting estimates are recognized in the year in which the estimates are revised and inany future periods affected.
Information about critical judgments in applying accounting policies that have the most
significant effect on the amounts recognized in these financial statements is included in thefollowing notes:
. Note 6 - Property, plant and equipment
. Note 10 - Regulatory balances
. Note 13 - Employee future benefits
. Note 15 - Commitments and contingencies
(d) Use of estimates and judgments (continued):
i) Measurement of fair values:
When measuring the fair value of an asset or liability, the Corporation uses

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Notes to the financial statements

observable
market data as much as possible. Fair values are categorized into different levels in a
fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets orliabilities:
- Level 2: inputs other than quoted prices included in Level 1 that are observable for
the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derivedfrom prices).
- Level 3: inputs for the asset or liability that are not based on observable marketdata (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels
of the fair value hierarchy, then the fair value measurement is categorized in its entirety
in the same level of the fair value hierarchy as the lowest level input that is significantto the entire measurements.
The Corporation recognizes transfers between levels of the fair value
hierarchy at theend of the reporting period during which the changed occurred.
(e) Rate regulation:
The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority
granted by the Ontario Energy Board Act, 1998. Among other things, the OEB has the
power and responsibility to approve or set rates for the transmission and distribution of
electricity, providing continued rate protection for electricity consumers in Ontario, and
ensuring that transmission and distribution companies fulfill obligations to connect and
service customers. The OEB may also prescribe license requirements and conditions of
service to local distribution companies ("LDCs"), such as the Corporation, which may
include, record keeping, regulatory accounting principles, separation of accounts for
distinct businesses, and filing and process requirements for rate setting purposes.(e) Rate regulation (continued):
Rate setting:
i) Distribution revenue:
For the distribution revenue related to electricity sales, the Corporation typically files a
Cost of Service ("COS") rate application with the OEB every five years where rates are
determined through a review of the forecasted annual amount of operating and capital
expenses, debt and shareholder's equity required to support the Corporation's
business. The Corporation estimates electricity usage and the costs to service each
customer class to determine the appropriate rates to be charged to each customer
class. The COS application is reviewed by the OEB and intervenors and rates are
approved based upon this review, including any revisions resulting from that

review.
In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. An
IRM application results in a formulaic adjustment to distribution rates that were set
under the last COS application. The previous year's rates are adjusted for the annual
change in the Gross Domestic Product Implicit Price Inflator for Final Domestic
Demand ("GDP IPI-FDD") net of a "stretch factor" determined by the relative efficiencyof an electricity distributor.
As a licensed distributor, the Corporation is responsible for billing customers for
electricity generated by third parties and the related costs of providing electricity
service, such as transmission services and other services provided by third parties.
The Corporation is required, pursuant to regulation, to remit such amounts to these
third parties, irrespective of whether the Corporation ultimately collects these amountsfrom customers.
On November 2, 2021 the Corporation filed an IRM requesting a 3.00% increase todistribution rates for the period of May 1, 2022 to April 30, 2023. The IRM was approvedon March 24, 2022.
On November 22, 2022 the Corporation filed an IRM requesting a 3.40% increase todistribution rates for the period of May 1, 2023 to April 30, 2024. The IRM was approvedon March 23, 2023.
On October 11, 2023 the Corporation filed an IRM requesting a 4.50% increase todistribution rates for the period of May 1, 2024 to April 30, 2025. The IRM was approvedon March 21, 2024.
ii) Electricity rates:
The OEB sets electricity prices for low-volume consumers twice each year based on
an estimate of how much it will cost to supply the province with electricity for the next
year. All remaining consumers pay the market price for electricity. The Corporation is
billed for the cost of the electricity that its customers use and passes this cost on to thecustomer at cost without a mark-up.
2. Material accounting policies:
The accounting policies set out below have been applied consistently in all years presented inthese financial statements.
(a) Regulation:
The following regulatory treatments have resulted in accounting treatments which differ
from those prescribed by IFRS for enterprises operating in an unregulated environment
and regulated entities that have not adopted IFRS 14, Regulatory Deferral Accounts("IFRS 14").
(b) Regulatory balances:
The Corporation has adopted IFRS 14 as an interim standard giving entities conducting
rate-regulated activities the option of continuing to recognize regulatory balancesaccording to their previous GAAP. Regulatory balances provide useful information about
the Corporation's financial position, financial performance and cash flows.

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IFRS 14 will
remain in force until either repealed or replaced by permanent guidance on
rate-regulatedaccounting from the IASB.
The Corporation has determined that certain asset and liability balances
arising from rateregulated
activities qualify for the application of regulatory accounting treatment in
accordance with IFRS 14 and the accounting principles prescribed by the OEB
in theAccounting Procedures Handbook for Electricity Distributors. Under
rate-regulated
accounting, the timing and recognition of certain expenses and revenues may
differ from
those otherwise expected under other IFRS in order to appropriately reflect
the economic
impact of regulatory decisions regarding the Corporation's regulated revenues
andexpenditures. These amounts arising from timing differences are recorded
as
regulatoryasset and liability balances on the Corporation's balance sheet,
and
represent existing
rights and obligations regarding cash flows expected to be recovered from or
refunded tocustomers, based on decisions and approvals by the OEB.
Regulatory deferral account asset balances represent costs incurred in excess
of amounts
billed to the customer at OEB approved rates. These amounts have been
accumulated
and deferred in anticipation of their future recovery in electricity
distribution rates.
Regulatory deferral account liability balances represent amounts billed to
the customer at
OEB approved rates in excess of costs incurred by the Corporation.
Regulatory deferral account asset balances are recognized if it is probable
that future
billings in an amount at least equal to the capitalized cost will result from
inclusion of that
cost in allowable costs for rate-making purposes. The offsetting amount is
recognized in
profit and loss. The asset balance is reduced by the amount of customer
billings as
electricity is delivered to the customer and the customer is billed at rates
approved by theOEB for the recovery of the capitalized costs.
(b) Regulatory balances (continued):
Regulatory deferral account liability balances are recognized if it is
probable that future
billings in an amount at least equal to the liability balance will be reduced
as a result of
rate-making activities. The offsetting amount is recognized in profit and
loss. The liability
balance is reduced by the amounts returned to customers as electricity is
delivered to the
customer at rates approved by the OEB for the return of the regulatory
account liabilitybalance.
The probability of recovery or repayment of the regulatory account balances
is assessed
annually based upon the likelihood that the OEB will approve the change in
rates to recover
or repay the balance. Any resulting impairment loss is recognized in profit

and loss in theyear incurred.
Regulatory deferral accounts attract interest at OEB prescribed rates. In 2023, the interest rate was 4.73% for the first quarter, 4.98% for the second and third quarter and 5.49% for the fourth quarter. Regulatory balances can be recognized for rate-setting and financial reporting purposes only if the OEB directs the relevant regulatory treatment or if future OEB direction is determined by management to be probable. In the event that the disposition of these balances is assessed to no longer be probable based on management's judgment, the balances are recorded in the Corporation's statement of income and comprehensive income in the period when the assessment is made. Regulatory balances that do not meet the definition of an asset or liability under any other IFRS are segregated on the statement of financial position as regulatory deferral account debit/credit balances and on the statement of income and comprehensive income as net movements in regulatory balances, net of tax. The netting of regulatory debit and credit balances is not permitted.
The measurement of regulatory balances is subject to certain estimates and assumptions, including assumptions made in the interpretation of the OEB's regulations and decisions.(c) Financial instruments:
At initial recognition, the Corporation measures its financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.
Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Corporation changes its business model for managingfinancial assets.
(c) Financial instruments (continued):
Financial liabilities are initially measured at fair value, net of transaction costs incurred.
They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the

borrowings.
Hedging items and hedged items are presented in the financial statements in the same
manner as other assets and liabilities. For derivative instruments that qualify for hedge
accounting and which are designated as cash flow hedges, the effective portion of any gain
or loss, is reported as a component of accumulated other comprehensive income. Any
gains or losses that represent either hedge ineffectiveness or hedge components excluded
from the assessment of effectiveness are recognized in results of operations.
(d) Revenue recognition:
i) Sale and distribution of electricity:
Electricity sales are recognized as the electricity is delivered to customers and includes
the amounts billed to customers for electricity, including the cost of electricity supplied,
distribution, and any other regulatory charges. Electricity revenue is recorded on the
basis of regular meter readings and estimated customer usage since the last meter
reading date to the end of the year. The related cost of power is recorded on
the basisof power used.
For customer billings related to electricity generated by third parties and the related
costs of providing electricity service, such as transmission services and other services
provided by third parties, the Corporation has determined that it is acting as a principal
for these electricity charges and, therefore, has presented electricity revenue on agross basis.
(d) Revenue recognition (continued):
ii) Capital contributions:
Developers are required to contribute towards the capital cost of construction of
distribution assets in order to provide ongoing service. The developer is not a customer
and therefore the contributions are not accounted for under IFRS 15 Revenue
fromContracts with Customers ("IFRS 15"). Cash contributions received from developers
are recorded as deferred revenue. When an asset other than cash is received
as acapital contribution, the asset is initially recognized at its fair value,
with a
corresponding amount recognized as deferred revenue. The deferred revenue, which
represents the Corporation's obligation to continue to provide the customers access to
the supply of electricity, is amortized to income on a straight-line basis
over the usefullife of the related asset.
Certain customers are also required to contribute towards the capital cost of
construction of distribution assets in order to provide ongoing service. These
contributions fall within the scope of IFRS 15. The contributions are received to obtain
a connection to the distribution system in order to receive ongoing access to

electricity.
The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time
as the customer receives and consumes the electricity. Revenue is recognized on astraight-line basis over the useful life of the related asset.
iii) Other operating revenue:
Other operating revenue includes revenue from services ancillary to the electricitydistribution, pole rentals, and other regulatory service charges.
(e) Capital inventory:
Capital inventory, which is included within capital inventory and construction in progress
comprising of material and supplies, the majority of which is consumed by the Corporation
in the provision of its services, is valued at the lower of cost and net realizable value, with
cost being determined on an average cost basis, and includes expenditures incurred in
acquiring the material and supplies and other costs incurred in bringing them to theirexisting location and condition.
Net realizable value is the estimated selling price in the ordinary course of business, lessestimated selling expenses
(f) Property, plant and equipment:
Cost includes expenditures that are directly attributable to the acquisition of the asset. The
cost of self-constructed assets includes the cost of materials, direct labour, and any other
costs directly attributable to bringing the asset to a working condition for its intended use.
When parts of an item of property, plant and equipment ("PP&E") have different useful
lives, they are accounted for as separate items (major components) of property, plant andequipment.
Gains and losses on the disposal of an item of PP&E are determined by comparing the
proceeds from disposal, if any, with the carrying amount of the item of PP&E and arerecognized in the statement of income and comprehensive income.
Spare parts and standby equipment are recognized as items of PP&E.
The cost of replacing a part of an item of PP&E is recognized in the net book value of the
item if it is probable that the future economic benefits embodied within the part will flow to
the Corporation and its cost can be measured reliably. In this event, the replaced part of
PP&E is written off, and the related gain or loss is included in profit or loss. The costs of
the day-to-day servicing of PP&E are recognized in income as incurred.
Depreciation is calculated over the depreciable amount and is recognized in income on a
straight-line basis over the estimated useful life of each part or component of an item of
PP&E. The depreciable amount is cost. Land and capital inventory are not depreciated.
Construction-in-progress assets are not depreciated until the project is complete and inservice.
The estimated useful lives are as follows:

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Buildings 15 - 50 years
Distribution equipment 20 - 50 years
Other fixed assets 5 - 25 years
Depreciation is taken at 50% of the above rates in the year of acquisition.
Depreciation methods, useful lives, and residual values are reviewed at each reportingdate and adjusted prospectively if appropriate.
(g) Intangible assets:
i) Computer software:
Computer software that is acquired or developed by the Corporation, including software that is not integral to the functionality of equipment purchased which has finite
useful lives, is measured at cost less accumulated amortization and accumulatedimpairment losses.
ii) Land rights:
Payments to obtain rights to access land (land rights) are classified as intangible
assets. These include payments made for easements, right of access and right of useover land for which the Corporation does not hold title.
iii) Amortization:
Amortization is recognized within profit or loss on a straight-line basis over the
estimated useful lives of intangible assets, other than land rights, from the date thatthey are available for use. The estimated useful lives are:
Computer software 5 years
Land rights Not amortized
Amortization is taken at 50% of the above rates in the year of acquisition.
Amortization methods and useful lives of all intangible assets are reviewed at eachreporting date and adjusted prospectively if appropriate.
(h) Impairment:
i) Financial assets measured at amortized cost:
A loss allowance for expected credit losses on financial assets measured at amortized
cost is recognized at the reporting date. The loss allowance is measured at an amountequal to the lifetime expected credit losses for that asset.
ii) Non-financial assets:
The carrying amounts of the Corporation's non-financial assets, other than capital
inventories and deferred payment in lieu of taxes at each reporting date to determine
whether there is any indication of impairment. If any such indication exists, then theasset's recoverable amount is estimated.
(h) Impairment (continued):
ii) Non-financial assets (continued):
For the purpose of impairment testing, assets are grouped together into the smallest
group of assets that generate cash inflows from continuing use that are largely
independent of the cash inflows of other assets or groups of assets (the cashgenerating
unit). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value
in use, the estimated future cash flows are discounted to their present value using a
pre-tax discount rate that reflects current market assessments of the time value ofmoney and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cashgenerating
unit exceeds its estimated recoverable amount. Impairment losses are recognized in income or loss.
For assets other than goodwill, impairment recognized in prior periods is assessed at
each reporting date for any indications that the loss has decreased or no longer exists.
An impairment loss is reversed if there has been a change in the estimates used to
determine the recoverable amount. An impairment loss is reversed only to the extent
that the asset's carrying amount does not exceed the carrying amount that would have
been determined, net of depreciation or amortization, if no impairment loss had beenrecognized.
(i) Provisions:
A provision is recognized if, as a result of a past event, the Corporation has a present legal
or constructive obligation that can be estimated reliably, and it is probable that an outflow
of economic benefits will be required to settle the obligation. Provisions are determined by
discounting the expected future cash flows at a pre-tax rate that reflects current market
assessments of the time value of money and the risks specific to the liability.(j) Employee future benefits:
i) Pension plan:
The Corporation provides a pension plan for all its full-time employees
through theOntario Municipal Employees Retirement System ("OMERS"). OMERS is a
multiemployerpension plan which operates as the Ontario Municipal Employees
Retirement Fund (the "Fund"), and provides pensions for employees of Ontario
municipalities, local boards and public utilities. The Fund is a contributory
definedbenefit pension plan, which is financed by equal contributions from participating
employers and employees, and by the investment earnings for the Fund. To the
extentthat the Fund finds itself in an under-funded position, additional
contribution rates maybe assessed to participating employers and members.
(j) Employee future benefits:
i) Pension plan (continued):
OMERS is a defined benefit plan. However, as OMERS does not segregate its
pensionasset and liability information by individual employers, there is insufficient information
available to enable the Corporation to directly account for the plan. Consequently, the
plan has been accounted for as a defined contribution plan with employee
benefitexpense recorded in net income when they are due.
ii) Post-employment benefits, other than pension:
The Corporation provides some of its retired employees with life insurance
and medicalbenefits beyond those provided by government sponsored plans.
The cost of these benefits is expensed as earned by employees through employment
service. The accrued benefit obligations and the current service costs are
actuariallydetermined by applying the projected unit credit method and reflect

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management's
best estimate of certain underlying assumptions. Actuarial gains and losses arising
from defined benefit plans are recognized immediately in other comprehensive incomeand reported in accumulated other comprehensive income. As part of the settlement
proposal for its 2020 Cost of Service application, the Corporation was approved for the
recovery of the actuarial gains and losses. Additional information with respect to thisregulatory balance is presented in note 10(e).

(k) Deferred revenue and assets transferred from customers:

Certain customers and developers are required to contribute towards the capital cost of
construction in order to provide ongoing service. When an asset is received as a capital
contribution, the asset is initially recognized at its fair value, with the corresponding amount
recognized as a developer contribution within long-term obligations. When the capital
project is complete, the amount is transferred to deferred revenue. Deferred revenue
represents the Corporation's obligation to continue to provide customers access to the
supply of electricity, and is amortized to income on a straight-line basis over the economic
useful life of the acquired or contributed asset, which represents the period of ongoingservice to the customer.

(l) Finance income and finance costs:

Finance income comprises interest earned on cash and on regulatory assets. Finance charges comprise interest expense on borrowings and regulatory liabilities.Finance costs are recognized as an expense.

(m) Payment in lieu of taxes:

The income tax expense comprises current and deferred tax. Income tax expense isrecognized in profit or loss except to the extent that it relates to items recognized directly
in other comprehensive income or directly in equity, in which case, the tax is also
recognized directly in other comprehensive income or equity, respectively.
The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and
the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the Electricity Act,
1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity
Financial Corporation ("OEFC"). These payments are calculated in accordance with the
rules for computing taxable income and taxable capital and other relevant amountscontained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as
modified by the Electricity Act, 1998, and related regulation. Prior to October 1, 2001, the
Corporation was not subject to income or capital taxes. Payments in lieu of taxes ("PILS")are referred to as income taxes.
Current tax is the tax payable on the taxable income for the year, using tax rates enacted
or substantively enacted at the reporting date, and any adjustment to tax

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payable in respectof previous years.
Deferred tax is recognized using the balance sheet method. Under this method, deferred
income taxes reflect the net tax effects of temporary differences between the tax basis of
assets and liabilities and their carrying amounts for accounting purposes, as well as for tax
losses available to be carried forward to future years that are likely to be realized. Deferred
tax assets and liabilities are measured using enacted or substantively enacted tax rates,
at the reporting date, expected to apply to taxable income in the years in which those
temporary differences are expected to be recovered or settled. The effect on deferred tax
assets and liabilities of a change in tax rates is recognized in income in
the year thatincludes the date of enactment or substantive enactment.
(n) Leased assets:
At inception of a contract, the Corporation will assess whether the contract is or contains a
lease. A contract is determined to contain a lease if it provides the Corporation with the
right to control the use of an identified asset for a period of time in exchange for
consideration. Contracts determined to contain a lease are accounted for as leases. For
leases and contracts that contain a lease, the Corporation recognizes a right-of-use asset
and a lease liability at the lease commencement date. The right-of-use asset is initially
measured at cost which comprises the initial amount of the lease liability adjusted for any
lease payments made at or before the commencement date, plus any initial direct costs
incurred and an estimate of costs to dismantle and remove the underlying asset or to
restore the underlying asset or the site on which it is located, less any
lease incentivesreceived.
(n) Leased assets (continued):
The right-of-use asset is subsequently depreciated using the straight-line method from the
commencement date to the earlier of the end of the useful life of the right-of-use asset or
the end of the lease term. The estimated useful lives of right-of-use assets are determined
on the same basis as those of property, plant and equipment. Subsequent to
initialrecognition, the right-of-use asset is recognized at cost less any accumulated depreciation
and any accumulated impairment losses, adjusted for certain remeasurements of
thecorresponding lease liability if required.
The lease liability is initially measured at the present value of lease payments plus the
present value of lease payments that are not paid at the commencement date, discounted
using the interest rate implicit in the lease, or if that rate cannot be
readily determined, theCorporation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest
method. It is remeasured when there is a change in future lease payments arising from a
change in an index or rate, if there is a change in the Corporation's estimate of the amount
expected to be payable under a residual value guarantee, or if the Corporation changes its
assessment of whether it will exercise a purchase, extension or termination option. When
the lease liability is remeasured in this way, a corresponding adjustment is made to the
carrying amount of the right-of-use asset, or is recorded in profit or loss
if the carryingamount of the right-of-use asset has been reduced to zero.
The Corporation has elected not to recognize right-of-use assets and lease liabilities for
leases that have a lease term of 12 months or less or for leases of low value assets. The
Corporation recognizes the lease payments associated with these leases as an
expenseon a straight-line basis over the lease term.
(o) Future changes in accounting policy:
Certain amendments to standards are effective for annual periods beginning after January
2024 and earlier application is permitted; however, the Corporation has not
early adoptedthem in preparing these financial statements.
3. Changes in material accounting policies:
The Corporation adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS
Practice Statement 2) on January 1, 2023. Although the amendments did not result in any
changes to the accounting policies themselves, they impacted the accounting
policyinformation disclosed in the financial statements.
The amendments require the disclosure of 'material', rather than 'significant', accounting
policies. The amendments also provide guidance on the application of materiality to disclosure
of accounting policies, assisting entities to provide useful, entity-specific accounting policy
information that users need to understand other information in the financial
statements.Management reviewed the accounting policies and made updates to the
information disclosed
in Note 2 Material accounting policies (2022: Significant accounting
policies) in certaininstances in line with the amendments.
4. Bank credit facility:
The Corporation has access to an $8,000,000 credit facility (2022 - $8,000,000). The credit
facility is only drawn upon in instances where the combined cash balance of the consolidated
Greater Sudbury Utilities entity is in a negative position. As at December
31, 2023, $Nil (2022- $Nil) was drawn on the credit facility.
5. Accounts receivable:
2023 2022
Electricity $ 10,620,732 $ 10,053,247
Other 1,895,862 2,282,455
12,516,594 12,335,702

Corporation's name	Business number	Tax year end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

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Allowance for doubtful accounts:
Balance, beginning of year (615,410) (738,600)
Increase (decrease) in provision (308,074) 235,315
Accounts receivable write-offs (recoveries) 439,769 (112,125)
Balance, end of year (483,715) (615,410)
$ 12,032,879 $ 11,720,292
6. Property, plant and equipment:
Cost:
Capital Inventory
Land and Distribution Other Fixed and Construction
Buildings Equipment Assets in Progress Total
Balance, January 1, 2022 $ 16,449,355 209,876,680 1 5,994,253 2,600,752 $
244,921,040
Additions (net of transfers) 192,813 5,522,082 9 73,102 3,182,914 9,870,911
Disposals/retirements - (1,682,349) (953,753) - (2,636,102)
Balance, December 31, 2022 16,642,168 213,716,413 1 6,013,602 5,783,666
252,155,849
Additions (net of transfers) 73,467 8,563,338 4 76,667 917,798 10,031,270
Disposals/retirements (49,715) (2,239,023) (972,150) - (3,260,888)
Balance, December 31, 2023 $ 16,665,920 2 20,040,728 1 5,518,119 6,701,464 $
258,926,231Accumulated depreciation:
Capital Inventory
Land and Distribution Other Fixed and Construction
Buildings Equipment Assets in Progress Total
Balance, January 1, 2022 $ 7,895,980 109,000,952 1 2,125,105 - $ 129,022,037
Depreciation charge 438,651 3,756,798 6 31,029 - 4,826,478
Disposals - (1,157,559) (758,101) - (1,915,660)
Balance, December 31, 2022 8,334,631 1 11,600,191 1 1,998,033 - 131,932,855
Depreciation charges 440,448 4,239,593 6 44,556 - 5,324,597
Disposals (38,176) (1,730,810) (967,447) - (2,736,433)
Balance, December 31, 2023 $ 8,736,903 1 14,108,974 1 1,675,142 - $
134,521,019Carrying amounts:
Capital Inventory
Distribution and Construction
Land Buildings Systems in Progress Total
At December 31, 2022 $ 8,307,537 1 02,116,222 4 ,015,569 5,783,666 $
120,222,994
At December 31, 2023 7,929,017 1 05,931,754 3 ,842,977 6,701,464 124,405,212
7. Intangible assets:
(a) Cost:
Computer Land
Software Rights Total
Balance, at January 1, 2022 $ 718,282 $ 75,635 $ 793,917
Additions 39,459 - 39,459
Balance, at December 31, 2022 757,741 75,635 833,376
Additions 82,086 20,264 102,350
Balance, at December 31, 2023 $ 839,827 $ 95,899 $ 935,726
(b) Accumulated amortization:
Computer Land
Software Rights Total
Balance, at January 1, 2022 $ 718,172 $ - $ 718,172
Amortization charges 3,946 - 3,946
Balance, at December 31, 2022 722,118 - 722,118
Amortization charges 16,101 - 16,101
Balance, at December 31, 2023 $ 738,219 $ - $ 738,219
(c) Carrying amounts:
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Computer Land
Software Rights Total
At December 31, 2022 $ 35,623 $ 75,635 $ 111,258
At December 31, 2023 101,608 95,899 197,507
8. Payment in lieu of taxes (PILS):
Current PILS expense:
2023 2022
Current payments in lieu of taxes $ 81,458 $ 103,472
Other adjustment to prior years 28,958 (85,244)
$ 110,416 $ 18,228
Deferred PILS expense (recovery):
2023 2022
Origination and reversal of timing differences $ 720,678 $ 1,199,189
Adjustment to prior years (854,819) 296,148
$ (134,141) $ 1,495,337
Payment (recovery) in lieu of taxes $ (23,725) $ 1,513,565
Rate reconciliation before net movements in
regulatory balances:
Comprehensive income before PILS
and regulatory items $ 3,429,653 $ 3,363,074
Statutory Canadian federal and provincial
income tax rate 26.5% 26.5%
PILS using the Corporation's statutory rate 908,858 891,215
Adjustment to prior years (825,861) 210,904
Regulatory movements (279,247) 408,565
Other 172,525 2,881
Payment (recovery) in lieu of taxes $ (23,725) $ 1,513,565
All deferred tax liabilities are expected to be settled after 12 months. The
tax effect of temporary
differences that give rise to deferred tax liabilities are as follows:
Plant
Employee and Regulatory
Benefits Equipment Adjustment Other Total
Balance,
December 31, 2021 5,206,081 (1,176,989) (7,776,211) $ 2,098,307 $ (1,648,812)
Change in deferred
tax balance (1,662,093) (671,542) 1,798,710 (960,412) (1,495,337)
Balance,
December 31, 2022 3,543,988 (1,848,531) (5,977,501) 1,137,895 (3,144,149)
Change in deferred
tax balance 188,590 (306,624) 44,981 207,194 134,141
Balance,
December 31, 2023 $ 3,732,578 $ (2,155,155) $ (5,932,520) $ 1,345,089 $
(3,010,008)9. Deferred revenue:
Deferred revenue is comprised of capital contributions from developers to
construct or acquire
property, plant and equipment for the purpose of connecting future customers
to theCorporation's distribution network. Capital contributions received from
developers are
recognized as deferred revenue and are amortized into revenue at an
equivalent rate to that
used for the depreciation of the related property, plant and equipment. As at
December 31,
2023, unamortized capital contributions amounted to $10,901,313 (2022 -
$9,762,391).10. Regulatory balances:
The following is a reconciliation of the carrying amount for each class of

regulatory deferralaccount balances:
Balances
January 1, arising in Recovery/ December 31,
2023 the period (reversal) 2023
IFRS deferral (a) $ 1,597,512 $ 170,457 $ (798,443) $ 969,526
Cost of service (c) 267,255 (27,527) - 239,728
Group 1 variance accounts (d) 2,640,436 (85,231) (398,192) 2,157,013
OPEB regulatory deferrals (e) 18,525,566 884,019 - 19,409,585
Incremental pole rental revenue (j) 237,607 219,679 - 457,286
Deferred rate implementation (f) 28,804 1,101 - 29,905
Regulatory assets $ 23,297,180 $ 1,162,498 $ (1,196,635) $ 23,263,043
Advanced Capital Module - Cressey (i) $ 322,730 $ (135,923) $ 313,015 $
499,822Tax related variance accounts (g) 347,496 2,122 - 349,618
Deferred payment in lieu of taxes (h) 3,449,653 (455,888) - 2,993,765
LRAMVA (b) 70,793 (43,609) - 27,184
Fixed charge billing error (449) - - (449)
Regulatory liabilities $ 4,190,223 $ (633,298) $ 313,015 $ 3,869,940
Balances
January 1, arising in Recovery/ December 31,
2022 the period (reversal) 2022
IFRS deferral (a) $ 2,218,640 $ 170,457 $ (791,585) $ 1,597,512
Cost of service (c) 369,668 (102,413) - 267,255
Group 1 variance accounts (d) 1,037,166 1,398,984 204,286 2,640,436
OPEB regulatory deferrals (e) 26,530,762 (8,005,196) - 18,525,566
Incremental pole rental revenue (j) - 237,607 - 237,607
Deferred rate implementation (f) 335,305 807 (307,308) 28,804
Regulatory assets $ 30,491,541 $ (6,299,754) $ (894,607) $ 23,297,180
Advanced Capital Module - Cressey (i) $ 141,784 $ (135,923) $ 316,869 $
322,730Tax related variance accounts (g) 362,807 (15,311) - 347,496
Deferred payment in lieu of taxes (h) 4,054,151 (604,498) - 3,449,653
LRAMVA (b) 47,996 22,797 - 70,793
Fixed charge billing error 918,902 - (919,351) (449)
Regulatory liabilities $ 5,525,640 $ (732,935) $ (602,482) $ 4,190,223
The regulatory deferral account balances are recovered or settled through
rates set by the OEB
which are determined using estimates of the Corporation's future number of
electricity
customers as well as estimates of future electricity consumption by customers.
The Corporation has received approval from the OEB to establish its
regulatory deferralaccount balances.
The regulatory balances of the Corporation consist of the following:
a) IFRS deferral:
As part of its 2020 Cost of Service application, the Corporation was approved
to dispose
of the costs accumulated between 2013 and 2019 related to the IFRS-CGAAP
transitional
property, plant and equipment losses that did not form part of its 2013 rate
base. The
Corporation will recover these costs over a 5-year period. For the year ended
December 31, 2023, the Corporation recorded an increase of $170,457 (2022 -
$170,457)
and recovered $798,443 (2022 - $791,585) from rate payers related to this
balance.b) LRAMVA:
The Lost Revenue Adjustment Mechanism variance account ("LRAMVA") was
established
to capture the variance between the Conservation and Demand Management ("CDM")

adjustment to a distributor's OEB-approved load forecast and the actual CDM results at
the customer rate class level. When disposing of this regulatory asset, the Corporation
must provide evidence to the OEB to support the claim. The Corporation was approved to
dispose of these funds for recovery from rate payers through its 2021 IRM application andfor repayment to ratepayers as part of its 2023 IRM application.
For the year ended December 31, 2023, the Corporation has recorded a liability of $27,184
(2022 - $70,793) and was approved to dispose of a liability of $70,793 (2022 - $48,008).c) Cost of service accrual:
The Ontario Energy Board's Accounting Procedure Handbook allows for the deferral of
regulatory expenses, that by approval or direction of the Board, are to be spread over future
periods. During 2019 and 2020, the Corporation worked on and received approval of its
Cost of Service application. The amounts in this account reflect the associated costs
incurred to the end of 2020. The amount in this account will be amortized to the income
statement annually over 5 years by charges to this account. For the year ended
December 31, 2023, the Corporation recognized $107,985 (2022 - $107,985) within
operating expenses and recorded an increase of $70,000 (2022 - $Nil) related to its futureapplication.
d) Group 1 variance accounts:
Group 1 variance accounts consist of retail settlement variance accounts. These accounts
represent the difference between the amount paid by the Corporation to its power supplier
for the cost of energy and the amount billed by the Corporation to its customers as energy
sales, and related carrying costs, which are recorded on the statement of financial position
as retail settlement variances until their final disposition is decided by the OEB. The
Corporation recognizes retail settlement variances as an asset or liability based on the
expectation that these amounts will be approved by the OEB for future collection from, or
refund to, customers through the rate setting and approval process. The retail settlement
variance asset represents the surplus of amounts billed by the IESO for the
cost of energycompared to the amounts charged to customers as energy sales.
Settlement of the deferral accounts is done on an annual basis through the rate application
to the OEB. The net balance of the retail settlement variances must meet a certain
threshold in order to dispose of these balances. The Corporation was approved to dispose
of a portion of these balances for recovery from rate payers through its 2022
IRMapplication. The amount included in the 2023 IRM application did not exceed

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the threshold
and therefore the balance was not requested for disposition. The amount included in the
2024 IRM application representing balances as of December 31, 2022 was approved fordisposal.
e) OPEB regulatory deferrals:
As part of its 2020 Cost of Service application, the Corporation was approved to establish
a new "Other Post-Employment Benefit ("OPEB") Cash to Accrual Transitional Amount"
deferral account. The Corporation previously recovered OPEBs through rates on a cash
basis and has transitioned to recover on an accrual basis in 2020. Guidance was provided
to utilities with respect to the transition between cash and accrual methods of recovery of
the OPEB obligation through rates within the Report of the Ontario Energy Board -
Regulatory Treatment of Pension and OPEB costs dated September 14, 2017. Included
within the balance recorded at December 31, 2023 is $26,089,910 (2022 - $26,089,910)
relating to the recovery of the OPEB obligation utilizing an accrual approach
which will berecovered through rate payers in future years.
The Corporation was also approved to establish a new "OPEB Actuarial Gains and Losses
Deferral Account" to record the cumulative actuarial gains and losses for future recovery
or repayment to ratepayers should the gains and losses that are tracked in this account
not substantially offset over time. The balance arising during the year ended
December 31, 2023 is comprised of an actuarial loss of $698,829 (2022 - gain of
$6,328,218) and an associated deferred tax liability impact of $185,190 (2022
- asset of$1,676,978). At December 31, 2023, the cumulative net position is an
actuarial gainpayable to rate payers in future rates.
e) OPEB regulatory deferrals (continued):
These balances represent management's best estimate of the transitional balance and the
expected recovery based on the guidance available as of the date of these financial
statements. The balance will be reviewed with the Corporation's next Cost of Service
application and a mechanism to recover the balance will be proposed at that time. The final
decision on the approval of disposition will be subject to a prudence review in the next Cost
of Service proceeding with any adjustment recorded in the period the approval fordisposition is received.
f) Deferred rate implementation:
As part of the Corporation's settlement proposal for its 2020 Cost of Service application, it
requested approval to defer the implementation of its May 1, 2020 rate increase in line with
the option allowed to other distributors by the OEB for May 1, 2020 rate

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increases in order
to offer relief to customers as a result of the COVID-19 pandemic. The Corporation's
request was approved and its May 1, 2020 rate increase was deferred to November 1,
2020. This account represents the revenue that was foregone during the period of May 1
to October 31, 2020 and the amounts subsequently recovered from ratepayers.
TheCorporation was approved to begin recovering this balance over a 1-year period as part of
its 2021 IRM application. For the year ended December 31, 2023, the
Corporationrecovered $19 from rate payers (2022 - $307,308).
g) Tax related variance accounts:
This balance arose from the revenue requirement impact of accelerated capital
costallowance deductions from the Accelerated Investment Incentive tax measure
which
received Royal Assent on June 21, 2019. Any balance in this account will be proposed for
disposition as part of the Corporation's next Cost of Service application.
h) Deferred payment in lieu of taxes:
This regulatory deferral account relates to the expected future electricity distribution rate
reduction for customers arising from timing differences in the recognition of
deferred taxassets and other approved recoveries. As at December 31, 2023, the
Corporation has
recorded a deferred tax liability of $2,993,765 (2022 - $3,449,653) with respect to its rateregulated
activities. In the absence of rate regulation this regulatory balance and the
retained earnings impact would not be recorded.
i) Advanced Capital Module - Cressey:
As part of its 2020 Cost of Service application, the Corporation was approved
for anAdvanced Capital Module ("ACM") for its Cressey Substation. The ACM is a
funding
mechanism that allows incremental funding requests for discrete projects that are part of a
distributor's Distribution System Plan, that will be put into service during the incentive ratesetting
term. The mechanism helps promote manageable rate impacts over the long-term.
j) Advanced Capital Module - Cressey (continued):
The Cressey Substation was built in 2021 for a total cost of $4,750,994. Accounting
guidance provided by the OEB would have the Corporation record the asset as a regulatory
asset, to be transferred to capital assets in the distributor's next Cost of Service rebasing
year, however the Corporation has recorded the asset and associated accumulated
depreciation within property, plant and equipment in accordance with the
requirementsunder IFRS.
For the year ended December 31, 2023, the Corporation collected $313,015 (2022 -
$316,869) from customers related to the ACM and has recorded this amount as a regulatory liability.

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k) Incremental pole rental revenue:
Pole attachment charges are what electricity distributors charge third parties, such as
telecommunications and cable companies, for access to their network of electricity poles.
For the charge for 2023, the OEB adjusted the rate electricity distributors were to charge
the third-party companies and the corresponding decrease in revenue is included in this
account and will be requested for disposition as part of the Corporation's next Cost ofService application.
l) Net movement:
Reconciliation between the net movements in regulatory balances shown in the regulatory
deferral account balances table and the net movements presented on the statement ofincome and comprehensive income is as follows:
2023 2022
Total movements of regulatory assets
per regulatory balances table $ (34,137) $ (7,194,361)
Total movements of regulatory liabilities
per regulatory balances table 320,283 1,335,417
Total net movements $ 286,146 $ (5,858,944)
Net movement in regulatory balances, net of tax $ (412,683) $ 469,274
Net movement in regulatory balances related to
other comprehensive income 698,829 (6,328,218)
Total net movement per financial statements $ 286,146 $ (5,858,944)
For certain regulatory asset and liabilities identified above, the expected recovery or settlement
period, or likelihood of recovery or settlement is affected by risks and uncertainties relating to
the ultimate authority of the OEB in determining the item's treatment for rate-setting purposes.
The Corporation continually assesses the likelihood of recovery of each of its regulatory assets
and refund of each of its regulatory liabilities and continues to believe that the OEB will factor
its regulatory assets and liabilities into the setting of future rates. If at some future date the
Corporation determines that it is no longer probable that the OEB will include a regulatory asset
or liability in future rates, the appropriate carrying amount will be charged to operations in theperiod the determination is made.
11. Promissory note payable:
The promissory note payable to the parent company Greater Sudbury Utilities Inc. / Services
Publics du Grand Sudbury Inc. is unsecured and bears interest at a rate of 7.26% (2022 -
7.26%) per annum and has been subordinated to the Toronto-Dominion Bank as security onthe Corporation's operating credit facilities.
The note is repayable in full on six months' written notice of the holder of the note. As at
April 22, 2024, the holder has informed the Corporation it will not demand repayment of thenote within one year.
During the year, interest totaling $3,531,660 (2022 - $3,531,660) was charged by Greater
Sudbury Utilities Inc. / Services Publics du Grand Sudbury Inc. on the

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promissory note payable.12. Long-term obligations:
2023 2022
Employee future benefit obligation (note 13) $ 14,085,202 $ 13,373,544
Multiple draw term loan (a) 369,261 533,807
Bank loan (b) and (e) 9,077,592 9,510,426
Customer deposits (c) 1,609,660 1,725,845
Developer contributions (d) 188,660 1,498,500
Interest rate swap at fair value (a) and (e) (840,333) (1,131,211)
24,490,042 25,510,911
Less: current portion (1,017,410) (1,224,608)
$ 23,472,632 $ 24,286,303
(a) On January 14, 2011, the Corporation was advanced monies under a reducing term,
floating rate facility at a face amount of $2,000,000 to finance the purchase of the smart
meters. Concurrent with the entry into the loan facility, to mitigate the Corporation's
exposure to interest rate risk, the Corporation entered into an International Swaps and
Derivatives Association, 2002 Master Agreement. The interest rate swap is used for nonspeculative
purposes to convert floating rate debt into fixed rate debt bearing interest at3.796%. The TD bank multiple draw term loan is secured by a general security
agreement
representing a first charge on all the borrower's assets and undertakings, and an unlimited
guarantee of advances executed by the borrower. The debt facility has a termination date
of January 19, 2026. The unrealized gain or loss on this contract is included as acomponent of other comprehensive income for the year. As at December 31, 2023, theCorporation recorded an asset of $3,358 (2022 - $5,658).
(b) The Corporation entered into a financing agreement on January 12, 2015 with TDEquipment Finance in the amount of $971,604. The financing facility is payable in annual
payments of $119,805 including interest at a fixed rate of 4.33% over the 120 month term
and is secured by the underlying specified assets under financing. As at December 31,
2023 the net book value of these assets is $641,261 (2022 - $680,125).
(c) Customer deposits represent cash deposits from electricity distribution customers andretailers.
Deposits from electricity distribution customers are refundable to customers whodemonstrate an acceptable level of credit risk as determined by the Corporation in
accordance with policies set out by the OEB or upon termination of their electricitydistribution service.
(d) Upon expansion of the Corporation's electricity distribution customer base, a developer is
required to incur the cost to establish any necessary electricity infrastructure. This
infrastructure is contributed to the Corporation and the Corporation then assumes the risks
and responsibilities associated with the infrastructure. The Corporation is required to
perform an analysis of the ongoing economic benefit it receives from the

expansion, and a
formulaic approach determines if a developer is entitled to recovery of the
capital it
contributed to the Corporation. These developer contributions represent the
Corporation's
estimated liability of amounts owed to developers pertaining to these
expansions.
(e) The Corporation entered into an unsecured debt arrangement with TD Bank
in the form of
funds available via multiple draws, up to a maximum of $10,000,000 in total
debt. The
Corporation received a draw of $5,500,000 on March 26, 2020 bearing interest
at a fixed
rate of 1.976% and arranged a further draw of $4,500,000 on February 19, 2021
bearing
interest at a fixed rate of 2.351%. The term of the draws are 10 years with
25-yearamortization.
The Corporation has a series of interest rate swap contracts corresponding to
this debt
arrangement that were used to convert floating rate to fixed rate debt. The
unrealized gain
or loss on these contracts is included as a component of other comprehensive
income for
the year. As at December 31, 2023 the Corporation recorded an asset of
$836,975 (2022- $1,125,553).
Principal repayments relating to note 12 (a), (b), and (e) for the next 5
years are as follows:2024 $ 617,756
2025 526,042
2026 358,734
2027 349,860
2028 357,423
Thereafter 7,237,038
13. Employee future benefits:
The Corporation pays certain medical and life insurance benefits on behalf of
some of its retired
employees. The Corporation recognizes these post-retirement costs in the
period in which
employees' services were rendered. The accrued benefit liability at December
31, 2023 of
$14,085,202 was based on extrapolation of the last full actuarial valuation
performed atDecember 31, 2022, using a discount rate of 4.65%.
The cost of providing benefits under the benefit plans is actuarially
determined using the
projected unit credit method, which incorporates management's best estimate
of future salary
levels, retirement ages of employees, health care costs, and other actuarial
factors. Changes
in actuarial assumptions and experience adjustments give rise to actuarial
gains and losses.
Actuarial gains and losses on medical, dental and life insurance benefits are
recognized in OCI
as they arise. Actuarial gains and losses related to rate-regulated
activities are subsequently
reclassified from OCI to a regulatory balance on the statement of financial
position. Within the
December 31, 2023 financial statements the actuarial losses were reclassified

to a regulatorybalance as described in note 10(e).
Changes in the present value of the defined benefit unfunded obligation and
the accrued benefitliability are as follows:
2023 2022
Employee future benefit obligation,
beginning of year $ 13,373,544 $ 19,645,593
Current service cost 43,802 75,786
Interest costs 555,953 488,184
Benefits paid during the year (586,926) (507,801)
Actuarial losses (gains) from remeasurement 698,829 (6,328,218)
Employee future benefit obligation, end of year $ 14,085,202 $ 13,373,544
Components of net benefit expense recognized are as follows:
2023 2022
Current service cost $ 43,802 $ 75,786
Interest costs 555,953 488,184
Net benefit expense recognized $ 599,755 $ 563,970
Actuarial gains and losses recognized in other comprehensive income are as
follows:2023 2022
Cumulative amount at January 1 $ - $ -
Recognized during the year (698,829) 6,328,218
Reclassification to regulatory balance 698,829 (6,328,218)
Cumulative amount at December 31 $ - $ -
The significant actuarial assumptions used in the valuation are as follows
(weighted average):2023 2022
Accrued benefit obligation:
Discount rate 4.65% 5.05%
Assumed health care cost trend rates:
Initial benefit care cost trend rate 4.90% 4.70%
Initial dental benefit cost trend rate 5.10% 4.90%
The main actuarial assumptions utilized for the valuation are as follows:
- General inflation - future general inflation levels, as measured by the
changes in the
Consumer Price Index, were assumed at 2.00% in 2023, and thereafter (2022 -
2.00%).
- Discount (interest) rate - the discount rate used to determine the present
value of future
liabilities and the expense for the year ended December 31, 2023, was 4.65%
(2022 -5.05%).
- Salary levels - future general salary and wage levels were assumed to
increase at 2.31%
(2022 - 2.31%) up to December 31, 2023, and 2.50% per annum thereafter.
- Medical costs - medical costs were assumed to be 4.70% for 2023 and
increase by 0.20%per annum.
- Dental costs - dental costs were assumed to be 4.90% for 2023 and increase
by 0.20% -0.30% per annum.
14. Share capital:
2023 2022
Authorized:
Unlimited common shares
Issued:
1,001 common shares $ 20,848,052 $ 20,848,052
15. Commitments and contingencies:
General:
From time to time, the Corporation is involved in various litigation matters
arising in the ordinary
course of its business. On an ongoing basis, the Corporation assesses the

likelihood of any
adverse judgments or outcomes as well as potential ranges of probable costs and losses. A
determination of the provision required, if any, for these contingencies is made after an analysis
of each individual issue. The provision may change in the future due to new developments in
each matter or changes in approach, such as a change in settlement strategy. The Corporation
has no reason to believe that the disposition of any such current matter could reasonably be
expected to have a materially adverse impact on the Corporation's financial position, results of
operations or its ability to carry on any of its business activities.
General liability insurance:
The Corporation is a member of the Municipal Electric Association Reciprocal Insurance
Exchange ("MEARIE"). MEARIE is a pooling of public liability insurance risks of many of the
LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced
by the pool for the years in which they were members, on a pro-rata basis based on the total
of their respective service revenues. As at December 31, 2023, no assessments have beenmade.
16. Guarantee:
The Corporation has issued a $9,048,386 letter of guarantee to the IESO. This was a
requirement of the IESO for market opening on May 1, 2002. At December 31, 2023, noamounts have been drawn on this letter of guarantee.
17. Pension agreement:
The Corporation provides a pension plan for its employees through OMERS. The plan is a
multi-employer, defined benefit pension plan benefit with equal contributions by the employer
and its employees. In 2023, the Corporation made employer contributions of $1,006,996 toOMERS (2022 - $980,958).
The Corporation estimates that a contribution of $1,123,991 will be made to OMERS duringthe next fiscal year.
18. Employee compensation:
2023 2022
Salaries, wages and benefits $ 12,195,127 $ 11,726,343
Contributions to OMERS 1,006,996 980,958
$ 13,202,123 $ 12,707,301
19. Related party transactions:
The Corporation subcontracts its billing and collection of revenue, payment of purchases and
all related government remittances, information services, accounting, payroll processing,
financial reporting and treasury services to Greater Sudbury Hydro Plus Inc./Hydro Plus duGrand Sudbury Inc., a company related by common ownership.
The sole shareholder of the Corporation is Greater Sudbury Utilities Inc./Services Publics du
Grand Sudbury Inc., which in turn is wholly-owned by the City of Greater Sudbury. The City
produces financial statements that are available for public use.

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Key management personnel:
The key management personnel of the Corporation have been defined as members of its board
of directors and executive management team members, and their compensation is summarizedbelow.
2023 2022
Directors' fees $ 68,001 $ 68,704
Salaries and benefits 990,707 955,986
$ 1,058,708 $ 1,024,690
Transactions with parent:
During the year, the Corporation paid promissory note interest to its parent in the amount of$3,531,660 (2022 - $3,531,660).
Transactions with ultimate parent (the City):
In the Corporation had the following significant transactions with its ultimate parent, agovernment entity:
- Electricity for all City owned properties totaling $6,654,448 (2022 - $6,281,975).
- The Corporation paid $253,701 (2022 - $246,965) to the City on account of municipaltaxes.
- The Corporation delivers electricity to the City throughout the year for the electricity needs
of the City and its related organizations. Electricity delivery charges are at prices and underterms approved by the OEB.
20. Revenues (in thousands):
The following table disaggregates revenues by type of customer (in thousands):
2023 2022
Revenue from contracts with customers:
Energy sales:
Residential service $ 45,749 $ 47,227
General service 51,309 49,433
Other 5,795 8,329
102,853 104,989
Distribution revenue:
Residential service 17,047 15,891
General service 9,941 9,843
Other 707 678
27,695 26,412
Conservation revenue:
Conservation recoveries - 5
Revenue from other sources:
Pole rental 880 877
Other charges 2,331 2,136
3,211 3,013
$ 133,759 $ 134,419
21. Financial instruments and risk management:
(a) Fair value disclosure:
Cash and cash equivalents and interest rate swap contracts are measured at fair value.
Swap contracts are adjusted to fair value by using mark-to-market valuation established
by TD Securities, a division of TD Bank Financial Group, as of the close of business on the
last business day of the fiscal year. The fair value measurement of the financial instrument
for which the fair value has been disclosed is included in Level 2 of the fair value hierarchy[Note 1(d)].

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The carrying values of accounts receivables, unbilled revenue, bank indebtedness, accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximatesfair value because the amounts are payable on demand.

(b) Financial risks:

The Corporation understands the risks inherent in its business and defines them broadlyas anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

i) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable and unbilled revenue, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the City of Greater Sudbury. No single customer accounts for a balance in excess of 7% of total accountsreceivable.

The carrying amount of accounts receivable is reduced through the use of an allowance for estimated credit losses and the amount of the related impairment loss is recognized in net income. Subsequent recoveries of receivables previously provisioned are credited to net income. The balance of the allowance for impairment at December 31, 2023 is $483,715 (2022 - $615,410). A write-off of $439,769 (2022- recovery of $112,125) was recognized during the year.

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2023, approximately $1,245,768 (2022 - $1,670,765) is considered 46 days past due. The Corporation has over 47,000 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2023, the Corporation holds security deposits in the amount of $1,609,660 (2022 - $1,725,845).

(b) Financial risks (continued):

i) Derivative instruments:

As detailed in note 12 to the financial statements, the Corporation has entered into a series of interest rate swap contracts totaling $8,479,045 (2022 - $8,673,897) and covering 98.5% (2022 - 97.3%) of long-term debt. These interest rate swap contracts were used to convert floating rate debt to fixed rate debt and qualify as cash flowhedges.

ii) Market risk:

Market risk primarily refers to the risk of loss resulting from changes in

commodity
prices, foreign exchange rates, and interest rates. The Corporation currently does not
have any material commodity or foreign exchange risk. The Corporation is exposed to
fluctuations in interest rates as the regulated rate of return for the Corporation's
distribution business is derived using a complex formulaic approach which is in part
based on the forecast for long-term Government of Canada bond yields. This rate of
return is approved by the OEB as part of the approval of distribution rates.
iii) Liquidity risk:
The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet
operational and investing requirements. The Corporation's objective is to ensure that
sufficient liquidity is on hand to meet obligations as they fall due while minimizing
interest exposure. The Corporation monitors cash balances daily to ensure that a
sufficient level of liquidity is on hand to meet financial commitments as they come due.
The credit facility discussed in note 4 is only drawn upon in instances where the
combined cash balance of the consolidated Greater Sudbury Utilities entity is in anegative position.
The majority of accounts payable, as reported on the statement of financial position,are due within 30 days.
iv) Capital disclosures:
The main objectives of the Corporation, when managing capital, are to ensure ongoing
access to funding to maintain and improve the electricity distribution system,
compliance with covenants related to its credit facilities, prudent management of its
capital structure with regard for recoveries of financing charges permitted by the OEB
on its regulated electricity distribution business, and to deliver the appropriate financialreturns.
The Corporation's definition of capital includes shareholder's equity and long-term
debt. As at December 31, 2023, shareholder's equity amounts to $60,013,904 (2022
- $56,973,209) and long-term debt amounts to $84,036,812 (2022 - $83,918,759).
22. Comparative information:
Certain 2022 comparative information has been reclassified to conform with the presentationadopted in 2023.

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

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

	Line	Amount		Total	
Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125				3,040,694	A
Add:					
Provision for income taxes – current	101	110,416			
Provision for income taxes – deferred	102	-134,141			
Interest and penalties on taxes	103	5,938			
Amortization of tangible assets	104	5,324,597			
Amortization of intangible assets	106	16,101			
Loss on disposal of assets	111	435,489			
Charitable donations and gifts from Schedule 2	112	500			
Non-deductible meals and entertainment expenses	121	9,958			
Reserves from financial statements – balance at the end of the year	126	14,568,917			
Subtotal of additions		20,337,775	▶	20,337,775	
Add:					
Taxable/non-deductible other comprehensive income items	239	290,878			

Other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	6,000
2	Capital contributions received 12(1)(x)	1,780,099
3	12(1)(a) - Customer Deposits	1,609,660
4	Opening Regulatory Asset balance	22,556,610
	Total of column 2	25,952,369

	Line	Amount		Total	
Total of column 2 ▶	296	25,952,369			
Subtotal of other additions	199	26,243,247	▶	26,243,247	D
Total additions	500	46,581,022	▶	46,581,022	
Amount A **plus** line 500				49,621,716	B
Deduct:					
Capital cost allowance from Schedule 8	403	7,860,174			
Reserves from financial statements – balance at the beginning of the year	414	13,988,954			
Subtotal of deductions		21,849,128	▶	21,849,128	

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	Amortization of deferred revenue	80,605
2	20(1)(m) - customer deposits	1,609,660
3	ITA 13(7.4) Election - capital contributions received	1,780,099
4	Closing Reg Asset balance (no tax)	22,386,868
5	Tax recovery on net movements	455,888
	Total of column 2	26,313,120

Total of column 2 ▶ 396 26,313,120

Subtotal of other deductions	499	26,313,120	26,313,120	E
Total deductions	510	48,162,248	48,162,248	
Net income (loss) for income tax purposes (amount B **minus** line 510)			1,459,468	C

Enter amount C on line 300 of the T2 return.

Attached Schedule with Total

Line 395 – Amount

Title Line 395 – Amount

Description	Operator (Note)	Amount	
Reg Asset		23,263,043	00
Reg Liab	-	3,869,940	00
Reverse tax in reg	+	2,993,765	00
	+		
	Total	22,386,868	00

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

Attached Schedule with Total

Line 295 – Amount

Title Line 295 – Amount

Description	Operator (Note)	Amount	
Reg Asset		23,297,180	00
Reg Liab	-	4,190,223	00
Reverse tax in reg	+	3,449,653	00
	+		
	Total	22,556,610	00

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

Inducement

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

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

Tax credits whose amount should be added to income

Ontario

A		
X	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
X	Ontario co-operative education tax credit	6,000
X	Ontario computer animation and special effects tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
X	Ontario film and television tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
X	Ontario production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
X	Ontario interactive digital media tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
X	Ontario book publishing tax credit	
X	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
X	Ontario business-research institute tax credit	
X	Ontario community food program donation tax credit for farmers	

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Cambrian College Bursary	500
Subtotal	500
Add: Total donations of less than $100 each	
Total donations in current tax year	500

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year		500	1A	500	500
Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year (amount 1A **minus** line 239)	240	500		500	500
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1, Net Income (Loss) for Income Tax Purposes)	210	500		500	500
Subtotal (line 250 **plus** line 210)		500	1B	500	500
Subtotal (line 240 **plus** amount 1B)		1,000	1C	1,000	1,000
Adjustment for an acquisition of control	255				
Total charitable donations available (amount 1C **minus** line 255)		1,000	1D	1,000	1,000
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) (enter this amount on line 311 of the T2 return)	260	1,000		1,000	1,000
Charitable donations closing balance (amount 1D **minus** line 260)	280				

	Line	Amount	
The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262		
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

	Line	Amount	
The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	263		
Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %)			2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

	Line	Amount	
The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016, and before January 1, 2027)	265		
British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %)			3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

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

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2022-12-31	500	500	500
2nd prior year	2021-12-31			
3rd prior year	2020-12-31			
4th prior year	2019-12-31			
5th prior year	2018-12-31			
6th prior year*	2017-12-31			
7th prior year	2016-12-31			
8th prior year	2015-12-31			
9th prior year	2014-12-31			
10th prior year	2013-12-31			
11th prior year	2012-12-31			
12th prior year	2011-12-31			
13th prior year	2010-12-31			
14th prior year	2010-06-30			
15th prior year	2009-06-30			
16th prior year	2008-06-30			
17th prior year	2007-06-30			
18th prior year	2006-06-30			
19th prior year	2005-06-30			
20th prior year	2004-06-30			
21st prior year*	2003-06-30			
Total (to line A)		500	500	500

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

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes **(Note 1) multiplied** by 75 % 1,094,601 2A

Taxable capital gains arising in respect of gifts of capital property included in Part 1 **(Note 2)** . . . . **225** ______

Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01) . . . . **227** ______

The amount of the recapture of capital cost allowance in respect of charitable donations . . . . **230** ______

Proceeds of disposition, **less** outlays and expenses **(Note 2)** . . . . ______ 2B

Capital cost **(Note 2)** . . . . ______ 2C

Amount 2B or 2C, whichever is less . . . . **235** ______

Amount on line 230 or 235, whichever is less . . . . ______ 2D

Subtotal (**add** lines 225, 227, and amount 2D) ______ 2E

Amount 2E **multiplied** by 25 % ______ 2F

Subtotal (amount 2A **plus** amount 2F) 1,094,601 2G

Maximum allowable deduction for charitable donations
(enter amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is the least) 1,000 2H

Note 1: For credit unions, this amount is before the deduction of bonus interest payments and payments pursuant to allocations in proportion to borrowing made by the credit union that is otherwise deductible under subsection 137(2).

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

Part 3 – Gifts of certified cultural property

	Line	Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			3A		
Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount 3A **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			3B		
Subtotal (line 440 **plus** amount 3B)			3C		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			3D		
Gifts of certified cultural property closing balance (amount 3C **minus** amount 3D)	480				

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

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2022-12-31			
2nd prior year	2021-12-31			
3rd prior year	2020-12-31			
4th prior year	2019-12-31			
5th prior year	2018-12-31			
6th prior year*	2017-12-31			
7th prior year	2016-12-31			
8th prior year	2015-12-31			
9th prior year	2014-12-31			
10th prior year	2013-12-31			
11th prior year	2012-12-31			
12th prior year	2011-12-31			
13th prior year	2010-12-31			
14th prior year	2010-06-30			
15th prior year	2009-06-30			
16th prior year	2008-06-30			
17th prior year	2007-06-30			
18th prior year	2006-06-30			
19th prior year	2005-06-30			
20th prior year	2004-06-30			
21st prior year*	2003-06-30			
Total				

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

Part 4 – Gifts of certified ecologically sensitive land

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

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

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date . . . .

Year of origin:		Federal	Québec	Alberta
1st prior year	2022-12-31			
2nd prior year	2021-12-31			
3rd prior year	2020-12-31			
4th prior year	2019-12-31			
5th prior year	2018-12-31			
6th prior year*	2017-12-31			
7th prior year	2016-12-31			
8th prior year	2015-12-31			
9th prior year	2014-12-31			
10th prior year	2013-12-31			
11th prior year*	2012-12-31			
12th prior year	2011-12-31			
13th prior year	2010-12-31			
14th prior year	2010-06-30			
15th prior year	2009-06-30			
16th prior year	2008-06-30			
17th prior year	2007-06-30			
18th prior year	2006-06-30			
19th prior year	2005-06-30			
20th prior year	2004-06-30			
21st prior year*	2003-06-30			
Total				

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

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

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

Part 5 – Additional deduction for gifts of medicine

	Line	Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			5A		
Additional deduction for gifts of medicine expired after five tax years*	639				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			5B		
Amount 5B **multiplied** by 50 %			5C		
Eligible amount of gifts	600				

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . **610** ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

where:

a is the **lesser** of line 601 and amount 5C

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

	Line	Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			5D		
Subtotal (line 640 **plus** amount 5D)			5E		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			5F		
Additional deduction for gifts of medicine closing balance (amount 5E **minus** amount 5F) **(Note 3)**	680				

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

Note 3: The amount at line 680 is not available for carryforward.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2022-12-31			
2nd prior year	2021-12-31			
3rd prior year	2020-12-31			
4th prior year	2019-12-31			
5th prior year	2018-12-31			
6th prior year*	2017-12-31			
7th prior year	2016-12-31			
8th prior year	2015-12-31			
9th prior year	2014-12-31			
10th prior year	2013-12-31			
11th prior year	2012-12-31			
12th prior year	2011-12-31			
13th prior year	2010-12-31			
14th prior year	2010-06-30			
15th prior year	2009-06-30			
16th prior year	2008-06-30			
17th prior year	2007-06-30			
18th prior year	2006-06-30			
19th prior year	2005-06-30			
20th prior year	2004-06-30			
21st prior year*	2003-06-30			
Total				

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

Québec – Gifts of musical instruments

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

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2022-12-31	
2nd prior year	2021-12-31	
3rd prior year	2020-12-31	
4th prior year	2019-12-31	
5th prior year	2018-12-31	
6th prior year	2017-12-31	
7th prior year	2016-12-31	
8th prior year	2015-12-31	
9th prior year	2014-12-31	
10th prior year	2013-12-31	
11th prior year	2012-12-31	
12th prior year	2011-12-31	
13th prior year	2010-12-31	
14th prior year	2010-06-30	
15th prior year	2009-06-30	
16th prior year	2008-06-30	
17th prior year	2007-06-30	
18th prior year	2006-06-30	
19th prior year	2005-06-30	
20th prior year	2004-06-30	
21st prior year*	2003-06-30	
Total		

* These gifts expired in the current year.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes				1,459,468	1A
Net capital losses deducted in the year (enter as a positive amount)			1B		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)			1C		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)			1D		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)			1E		
Employer deduction for non-qualified securities – Paragraph 110(1)(e)			1F		
Subtotal (total of amounts 1B to 1F)			▶		1G
Subtotal (amount 1A **minus** amount 1G; if positive, enter "0"					1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions					1I
Subtotal (amount 1H **minus** amount 1I)					1J
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)					1K
Current-year non-capital loss (amount 1J **plus** amount 1K; if positive, enter "0") If amount 1L is negative, enter it on line 110 as a positive.					1L

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year		3,193,056	1M		
Non-capital loss expired **(note 1)**	100				
Non-capital losses at the beginning of the tax year (amount 1M **minus** line 100)	102	3,193,056	▶	3,193,056	
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary **(note 2)** corporation	105				
Current-year non-capital loss (from amount 1L)	110				
Subtotal (line 105 **plus** line 110)			▶		1N
Subtotal (line 102 **plus** amount 1N)				3,193,056	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)	150			
Section 80 – Adjustments for forgiven amounts	140			
Subsection 111(10) – Adjustments for fuel tax rebate				
Non-capital losses of previous tax years applied in the current tax year Enter line 130 on line 331 of the T2 return.	130	1,458,468		
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax **(note 3)**	135			
Subtotal (total of lines 150, 140, 130 and 135)		1,458,468	1,458,468	1P
Non-capital losses before any request for a carryback (amount 1O **minus** amount 1P)			1,734,588	1Q

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901			
Second previous tax year to reduce taxable income	902			
Third previous tax year to reduce taxable income	903			
First previous tax year to reduce taxable dividends subject to Part IV tax	911			
Second previous tax year to reduce taxable dividends subject to Part IV tax	912			
Third previous tax year to reduce taxable dividends subject to Part IV tax	913			
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)				1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q **minus** amount 1R)	180		1,734,588	

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

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

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

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

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

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

Part 2 – Capital losses (continued)

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

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

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

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

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

Note 8: Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year			3A	
Farm loss expired **(note 9)**	300			
Farm losses at the beginning of the tax year (amount 3A **minus** line 300)	302		▶	
Farm losses transferred on an amalgamation or on the wind–up of a subsidiary corporation	305			
Current-year farm loss (amount 1K in Part 1)	310			
Subtotal (line 305 **plus** line 310)			▶	3B
Subtotal (line 302 **plus** amount 3B)				3C
Other adjustments (includes adjustments for an acquisition of control)	350			
Section 80 – Adjustments for forgiven amounts	340			
Farm losses of previous tax years applied in the current tax year 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			**485**	
(line 485 ______ – $2,500) **divided** by 2		4A		
Amount 4A or $ 15,000 , whichever is less		▶		4B
			2,500	4C
Subtotal (amount 4B **plus** amount 4C)			2,500 ▶	2,500 4D
Current-year restricted farm loss (line 485 **minus** amount 4D)				4E

Continuity of restricted farm losses and request for a carryback

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

Request to carry back restricted farm loss to:

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

Note

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

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

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 7 – Limited partnership losses

Current-year limited partnership losses

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

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

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

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

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

Note

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

Part 8 – Election under paragraph 88(1.1)(f)

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

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

Note

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

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A		
1st preceding taxation year 2022-12-31	792,612	N/A		N/A			792,612
2nd preceding taxation year 2021-12-31		N/A		N/A			
3rd preceding taxation year 2020-12-31	2,400,444	N/A		N/A	1,458,468		941,976
4th preceding taxation year 2019-12-31		N/A		N/A			
5th preceding taxation year 2018-12-31		N/A		N/A			
6th preceding taxation year 2017-12-31		N/A		N/A			
7th preceding taxation year 2016-12-31		N/A		N/A			
8th preceding taxation year 2015-12-31		N/A		N/A			
9th preceding taxation year 2014-12-31		N/A		N/A			
10th preceding taxation year 2013-12-31		N/A		N/A			
11th preceding taxation year 2012-12-31		N/A		N/A			
12th preceding taxation year 2011-12-31		N/A		N/A			
13th preceding taxation year 2010-12-31		N/A		N/A			
14th preceding taxation year 2010-06-30		N/A		N/A			
15th preceding taxation year 2009-06-30		N/A		N/A			
16th preceding taxation year 2008-06-30		N/A		N/A			
17th preceding taxation year 2007-06-30		N/A		N/A			
18th preceding taxation year 2006-06-30		N/A		N/A			
19th preceding taxation year 2005-06-30		N/A		N/A			
20th preceding taxation year 2004-06-30		N/A		N/A			*
Total	3,193,056				1,458,468		1,734,588

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

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

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

Part 1 – Allocation of taxable income

100 ______ Enter the regulation that applies (402 to 413).

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

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

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

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

Description	Line	Amount		Amount	Ref
Ontario basic income tax (from Schedule 500)	270				
Ontario small business deduction (from Schedule 500)	402				
Subtotal (line 270 **minus** line 402)			▶		5A
Ontario transitional tax debits (from Schedule 506)	276				
Recapture of Ontario research and development tax credit (from Schedule 508)	277				
Subtotal (line 276 **plus** line 277)			▶		5B
Gross Ontario tax (amount 5A **plus** amount 5B)					5C
Ontario tax credit for manufacturing and processing (from Schedule 502)	406				
Ontario foreign tax credit (from Schedule 21)	408				
Ontario credit union tax reduction (from Schedule 500)	410				
Ontario political contributions tax credit (from Schedule 525)	415				
Ontario non-refundable tax credits (total of lines 406 to 415)			▶		5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")					5E
Ontario research and development tax credit (from Schedule 508)	416				
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")					5F
Ontario corporate minimum tax credit (from Schedule 510)	418				
Ontario community food program donation tax credit for farmers (from Schedule 2)	420				
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative, enter "0")					5G
Ontario corporate minimum tax (from Schedule 510)	278	69,149			
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal (line 278 **plus** line 280)		69,149	▶	69,149	5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)				69,149	5I
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452	17,655			
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468				
Ontario business-research institute tax credit (from Schedule 568)	470				
Ontario regional opportunities investment tax credit (from Schedule 570)	472				
Ontario made manufacturing investment tax credit (from Schedule 572)	474				
Ontario refundable tax credits (total of lines 450 to 474)		17,655	▶	17,655	5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets). Include this amount on line 255.	290			51,494	

Summary

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

Net provincial and territorial tax payable or refundable tax credits 255 51,494

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

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

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

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

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 [X] 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 **110**	2 Identification number See **note 1** **115**	3 Percentage assigned under the agreement **120**
1.	Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	865937593RC0002	
2.	Greater Sudbury Hydro Plus Inc./ Hydro Plus Du Grand Sudbury Inc.	892792615RC0001	36.096
3.	Greater Sudbury Telecommunications Inc / Telecommunications	865937791RC0001	
4.	Greater Sudbury Utilities Inc/Services Publics Du Grand Sud	892792813RC0001	
5.	1627596 Ontario Inc.	839579471RC0001	63.904
6.	CONVERGEN INC.	830375721RC0001	
		Total	100.000

Immediate expensing limit allocated to the corporation (see **note 2**) . . . . **125** ____________

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

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

Part 2 – CCA calculation

	1 Class number See **note 3** 200	Description	2 Undepreciated capital cost (UCC) at the beginning of the year 201	3 Cost of acquisitions during the year (new property must be available for use) See **note 4** 203	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP) See **note 5** 232	5 Adjustments and transfers See **note 6** 205	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See **note 7** 221	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See **note 8** 222	8 Proceeds of dispositions See **note 9** 207
1.	1		32,956,666						0
2.	8		490,341	113,581	113,581				0
3.	10		835,505	320,000	320,000				40,191
4.	17		26,709						0
5.	17		18,022						0
6.	42		113,500						0
7.	45		1						0
8.	47		62,363,754	6,820,827					48,777
9.	50		27,339	5,500	5,500				0
10.	95	Construction in Progress	1,980,159	134,489	134,489				0
11.	1b		1,005,188						0
12.	94	Capital Inventory	3,803,507	783,308	783,308				0
13.	14.1	Land rights	13,990	20,263					0
14.	1b	2018 Building addition	134,733						0
15.	1b	2019 Building additions	208,154						0
16.	1b	2020 Additions	231,248						0
17.	1b	2021 Additions	82,771						0
18.	1b	2022 additions	111,223						0
19.	1b	2023 Additions		44,180					0
20.	12			82,086	82,086				0
		Totals	104,402,810	8,324,234	1,438,964				88,968

	1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) 234	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See **note 10**	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See **note 11** 236	12 Immediate expensing See **note 12** 238	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 See **note 13** 225	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See **note 14**
1.	1			32,956,666					32,956,666	
2.	8			603,922	113,581		113,581	113,581	603,922	
3.	10			1,115,314	320,000		320,000	320,000	1,115,314	40,191
4.	17			26,709					26,709	
5.	17			18,022					18,022	
6.	42			113,500					113,500	
7.	45			1					1	
8.	47			69,135,804			6,820,827	6,820,827	69,135,804	48,777
9.	50			32,839	5,500		5,500	5,500	32,839	
10.	95	Construction in Progress		2,114,648	134,489		134,489	134,489	2,114,648	
11.	1b			1,005,188					1,005,188	
12.	94	Capital Inventory		4,586,815	783,308		783,308	783,308	4,586,815	
13.	14.1	Land rights		34,253			20,263	20,263	34,253	
14.	1b	2018 Building addition		134,733					134,733	
15.	1b	2019 Building additions		208,154					208,154	
16.	1b	2020 Additions		231,248					231,248	
17.	1b	2021 Additions		82,771					82,771	
18.	1b	2022 additions		111,223					111,223	
19.	1b	2023 Additions		44,180			44,180	44,180	44,180	
20.	12			82,086	82,086		82,086	82,086	82,086	
		Totals		112,638,076	1,438,964		8,324,234	8,324,234	112,638,076	88,968

Part 2 – CCA calculation (continued)

	1 Class number	Description	17 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")	18 UCC adjustment for AIIP and property included in Classes 54 to 56 acquired during the year (column 17 **multiplied** by the relevant factor) See **note 15**	19 UCC adjustment for property acquired during the year other than 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) (if negative, enter "0") See **note 16** 224	20 CCA rate % See **note 17** 212	21 Recapture of CCA See **note 18** 213	22 Terminal loss See **note 19** 215	23 CCA (for declining balance method, the result of column 15 **plus** column 18 **minus** column 19, **multiplied** by column 20, or a lower amount, **plus** column 12) See **note 20** 217	24 UCC at the end of the year (column 10 **minus** column 23) 220
1.	1					4	0	0	1,318,267	31,638,399
2.	8		113,581	56,791		20	0	0	132,143	471,779
3.	10		279,809	139,905		30	0	0	376,566	738,748
4.	17					8	0	0	2,137	24,572
5.	17					8	0	0	1,442	16,580
6.	42					12	0	0	13,620	99,880
7.	45					45	0	0		1
8.	47		6,772,050	3,386,025		8	0	0	5,801,746	63,334,058
9.	50		5,500	2,750		55	0	0	19,574	13,265
10.	95	Construction in Progress	134,489	67,245		0	0	0		2,114,648
11.	1b					6	0	0	60,311	944,877
12.	94	Capital Inventory	783,308	391,654		0	0	0		4,586,815
13.	14.1	Land rights	20,263	10,132		5	0	0	2,219	32,034
14.	1b	2018 Building addition				6	0	0	8,084	126,649
15.	1b	2019 Building additions				6	0	0	12,489	195,665
16.	1b	2020 Additions				6	0	0	13,875	217,373
17.	1b	2021 Additions				6	0	0	4,966	77,805
18.	1b	2022 additions				6	0	0	6,673	104,550
19.	1b	2023 Additions	44,180	22,090		6	0	0	3,976	40,204
20.	12		82,086			100	0	0	82,086	
		Totals	8,235,266	4,076,592					7,860,174	104,777,902

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. Do not include any amount in column 3 in respect of property included in column 5 (see note 6).

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

Note 6: Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the UCC (column 10). Items that increase the UCC include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the UCC (show amounts that reduce the UCC in brackets) include assistance received or receivable during the year for a property, subsequent to its disposition, if such assistance would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f). See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
Also include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor at least 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

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

Part 2 – CCA calculation (continued)

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

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

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

Note 9: For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
If the cost of a zero-emission passenger vehicle (or a passenger vehicle that was, at any time, a DIEP) exceeds the prescribed amount and it is disposed of to a person or partnership with which you deal at arm's length, the proceeds of disposition will be adjusted based on a factor equal to the prescribed amount as a proportion of the actual cost of the vehicle. The actual cost of the vehicle will be adjusted for payment or repayment of government assistance.

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

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

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

1. Immediate expensing limit: it is equal to one of the following five amounts, whichever is applicable:

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

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

2. UCC of the DIEP: total of column 11

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

Note 13: An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018, and that became available for use before 2028.
Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2028.
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that are acquired after March 1, 2020, and that became available for use before 2028.
See the T2 Corporation Income Tax Guide for more information.

Note 14: Include only elements from columns 6 and 7 that are not related to the DIEP.

Note 15: The relevant factors for property of a class in Schedule II, that is an AIIP or included in Classes 54 to 56, available for use respectively before 2024 are:

- 2 1/3 for property in Classes 43.1, 54, and 56
- 1 1/2 for property in Class 55
- 1 for property in Classes 43.2 and 53
- 0 for property in Classes 12, 13, 14, 15, and 59, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 20 for additional information) and
- 0.5 for all other property that is an AIIP

Part 2 – CCA calculation (continued)

Note 16: The UCC adjustment for property acquired during the year (also known as the half-year rule or 50% rule) does not apply to certain property (including AIIP and property included in Classes 54 to 56). Include only elements from columns 6 and 7 that are not related to the DIEP. For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 17: Enter a rate only if you are using the declining balance method. For any other method (for example, the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 23.

Note 18: If the amount in column 10 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 10 in column 21 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1. However, they do apply to a passenger vehicle that was, at any time, a DIEP.

Note 19: If no property is left in the class at the end of the tax year and there is still a positive amount in the column 10, you have a terminal loss. If applicable, enter the positive amount from column 10 in column 22. The terminal loss rules do not apply to:

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

Note 20: If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction)
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot, or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraphs 1100(1)(y.2) (for single mine properties) and 1100(1)(ya.2) (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive

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

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

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

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Greater Sudbury Hydro Plus Inc./ H		89279 2615 RC0001	3					
2.	Greater Sudbury Telecommunicatio		86593 7791 RC0001	3					
3.	Greater Sudbury Utilities Inc/Servic		89279 2813 RC0001	1					
4.	1627596 Ontario Inc.		83957 9471 RC0001	3					
5.	CONVERGEN INC.		83037 5721 RC0001	2			4,000	100.000	400,000
6.	Corporation of the City of Greater S		NR	3					

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

T2 SCH 9 (11) Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Bad debt reserve	615,410		483,715	615,410	483,715
2	Employee future benefits	13,373,544		14,085,202	13,373,544	14,085,202
3						
	Reserves from Part 2 of Schedule 13					
	Totals	13,988,954		14,568,917	13,988,954	14,568,917

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

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

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

	Type of plan (see note 1) 100	Amount of contribution $ (see note 2) 200	Registration number (RPP, RSUBP, PRPP, and DPSP only) 300	Name of EPSP trust 400	Address of EPSP trust 500	T4PS slip(s) (see note 3) 600
1	1	1,006,996	536391			

Note 1

Enter the applicable code number:

1 – RPP
2 – RSUBP
3 – DPSP
4 – EPSP
5 – PRPP

Note 2

You do not need to add to Schedule 1 any payments you made to deferred income plans.
To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule	1,006,996	A
Less:		
Total of all amounts for deferred income plans deducted in your financial statements	1,006,996	B
Deductible amount for contributions to deferred income plans (amount A **minus** amount B) (if negative, enter "0")		C

Enter amount C on line 417 of Schedule 1

Note 3

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

T2 SCH 15 (13)

Canada

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Schedule 23

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

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

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

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

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

1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
3 – Non-CCPC that is a **third corporation**
4 – Associated non-CCPC
5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

Column 5: Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . . **050** Year 2023

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

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**
1	Greater Sudbury Hydro Inc./Hydro Du Grand Su	86593 7593 RC0002	1	500,000	100.0000	500,000
2	Greater Sudbury Hydro Plus Inc./ Hydro Plus Du	89279 2615 RC0001	1	500,000		
3	Greater Sudbury Telecommunications Inc / Tele	86593 7791 RC0001	1	500,000		
4	Greater Sudbury Utilities Inc/Services Publics Du	89279 2813 RC0001	1	500,000		
5	1627596 Ontario Inc.	83957 9471 RC0001	1	500,000		
6	CONVERGEN INC.	83037 5721 RC0001	1	500,000		
7	Corporation of the City of Greater Sudbury	NR	4			
				Total	100.0000	500,000 A

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

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

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

Special rules for business limit

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

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year
  - to claim a deduction against Part I tax payable
  - to claim a refund of credit earned during the current tax year
  - to claim a carryforward of credit from previous tax years
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1)
  - to request a credit carryback to one or more previous years
  - if you are subject to a recapture of ITC
- Unless otherwise stated, all legislative references are to the federal Income Tax Act and Income Tax Regulations.
- Certain ITCs are eligible for a three-year carryback (if not deductible in the year earned) and are also eligible for a twenty-year carryforward. This does not apply to the clean economy ITCs, which are refundable tax credits.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule)
    - You can no longer claim the ITC for the qualified resource property expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim
  - pre-production mining expenditures (Part 18)
    - You can no longer claim the ITC for the pre-production mining expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
  - apprenticeship job creation expenditures (Parts 19 to 21)
  - child care spaces expenditures (Part 22)
    - You can no longer claim the ITC for the child care spaces expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
- Investments or expenditures for clean economy, described in sections 127.44 or 127.45, that earn an ITC are:
  - investment in carbon capture, utilization, or storage (CCUS) projects, for qualifying expenditures made after 2021 (Part 25)
  - investment in clean technology property that is acquired and that becomes available for use after March 27, 2023 (Part 24)
- File this schedule with the T2 Corporation Income Tax Return. If you need more space, attach additional schedules.
- For more information on ITCs, see **Investment Tax Credit** in Guide T4012, T2 Corporation – Income Tax Guide.
- For more information on SR&ED, see Guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661.

Detailed information

- For the purpose of this schedule, investment means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property at the time it files the income tax return for the year in which the property was acquired. See subsection 127.44(9) for similar rules for capital cost for the CCUS ITC and subsection 127.45(5) for similar rules for capital cost for the clean technology ITC.
- An ITC deducted in a tax year for a depreciable property reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use (AFU)** before a claim for an ITC can be made. See subsections 127(11.2), 127.45(4) and 248(19) for more information. The AFU rules do not apply to claims for the CCUS ITC.
- Expenditures for SR&ED qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures. A claimant that does not meet this reporting deadline will not be able to file Schedule 508, Ontario Research and Development Tax Credit, and Schedule 566, Ontario innovation Tax Credit.
- Expenditures for an apprenticeship ITC or a clean economy ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures.

Detailed information (continued)

- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, Guide for the Partnership Information Return (T5013 Forms). See section 127.47 for rules that apply to partnerships for the clean economy ITCs generally. For more information on partnership allocations for CCUS ITC, see subsection 127.44(11), and for clean technology ITC, subsection 127.45(8).
- For tax purposes, Canada includes the **exclusive economic zone** of Canada as defined in the Oceans Act (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone. For the clean technology ITC, Canada includes the exclusive economic zone of Canada only for property that is described in subparagraph d(v) or (xiv) of Class 43.1 in Schedule II of the Regulations.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and new energy generation and conservation property (prescribed in Regulation 4600). Certain qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

Part 1 – Investments, expenditures and percentages

	Specified percentage
Investments	
Qualified property and qualified resource property (Part 5)	
Qualified property acquired primarily for use in Atlantic Canada	10 %
Expenditures	
SR&ED (Part 11)	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada	15 %
Apprenticeship job creation (Part 19)	
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
Clean economy ITCs	
To qualify for the investment tax credit rates below, corporations must elect (in prescribed form) to meet certain labour requirements – prevailing wage requirements and apprenticeship requirements. They must also attest (in prescribed form) to have met these requirements. Otherwise, the credit rate will be reduced by 10 percentage points.	
Clean technology	
If you invested in clean technology property that is acquired and that becomes available for use:	
after March 27, 2023, and before 2034	30%
after 2033 and before 2035	15%
CCUS (Part 25)	
If you incurred qualified carbon capture expenditures to capture carbon directly from ambient air:	
after 2021 and before 2031	60%
after 2030 and before 2041	30%
If you incurred qualified carbon capture expenditures to capture carbon other than directly from ambient air:	
after 2021 and before 2031	50%
after 2030 and before 2041	25%
If you incurred qualified expenditures for carbon transportation, use, or storage:	
after 2021 and before 2031	37.5%
after 2030 and before 2041	18.75 %

Corporation's name	Business number	Tax year-end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

Part 2A – Determination of a qualifying corporation

This section does not apply to the clean economy investment tax credits.

Is the corporation a qualifying corporation? . . . . . **101** Yes [ ] No [X]

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied) . . . . . **390** ______

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if both of the following conditions are met:

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

If you are a **qualifying** corporation, you will earn a **100**% refund on your share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit.

Some CCPCs that are **not qualifying** corporations may also earn a **100**% refund on their share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10.

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 2B – Determination of an excluded corporation – SR&ED

Is the qualifying corporation an excluded corporation as defined under subsection 127.1(2)? . . . . . **650** Yes [ ] No [X]

Only 40% refund will be available to a qualifying corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to one of the following:

a) one or more persons exempt from Part I tax under section 149
b) Her Majesty in right of a province, a Canadian municipality, or any other public authority
c) any combination of persons referred to in a) or b) above

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . . **102** Yes [ ] No [X]

If **yes**, complete Schedule 125, Income Statement Information, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . . ______ x 80 % = **103** ______
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property from the current tax year

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**
			Total of investments for qualified property	4A

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year			5A
Credit deemed as a remittance of co-op corporations	210		
Credit expired	215		
Subtotal (line 210 **plus** line 215)		▶	5B
ITC at the beginning of the tax year (amount 5A **minus** amount 5B)		220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230		
ITC from repayment of assistance	235		
Qualified property (amount 4A) ______ x 10 % =	240		
Credit allocated from a partnership	250		
Subtotal (total of lines 230 to 250)		▶	5C
Total credit available (line 220 **plus** amount 5C)			5D
Credit deducted from Part I tax	260		
Credit carried back to previous years (amount 6A)	5E		
Credit transferred to offset Part VII tax liability	280		
Subtotal (total of line 260, amount 5E, and line 280)		▶	5F
Credit balance before refund (amount 5D **minus** amount 5F)			5G
Refund of credit claimed on investments from qualified property (from Part 7)		310	
ITC closing balance of investments from qualified property and qualified resource property (amount 5G **minus** line 310)		320	

Part 6 – Request for carryback of credit from investments in qualified property

	Year	Month	Day		
1st previous tax year				Credit to be applied	901
2nd previous tax year				Credit to be applied	902
3rd previous tax year				Credit to be applied	903

Total of lines 901 to 903 ______ 6A
Enter at amount 5E.

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property

Current-year ITCs (line 240 **plus** line 250 in Part 5)	7A
Credit balance before refund (from amount 5G)	7B
Refund (40 % of amount 7A or 7B, whichever is less)	7C

Enter amount 7C or a lesser amount on line 310 in Part 5 (also include in line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Qualified SR&ED expenditures (line 559 on Form T661)				
Contributions to agricultural organizations for SR&ED				
Deduct:				
Government assistance, non-government assistance, or contract payment				
Subtotal				
x	80 %			
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		+		
Qualified SR&ED expenditures (line 559 on Form T661 **plus** line 103 in Part 3)*			350	
Repayments made in the year (from line 560 on Form T661)			370	
Total qualified SR&ED expenditures (line 350 **plus** line 370)			380	

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

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

Part 9 only applies if you are a CCPC.

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

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

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

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete line 398.
If you answered **yes**, complete Schedule 49, Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit, to determine the amounts for associated corporations.

Enter your taxable capital employed in Canada for the previous tax year 140,814,203 **minus** $10 million.
If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million **398** 40,000,000

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation

$ 40,000,000 **minus** line 398 in Part 9		10A	
Amount 10A divided by $ 40,000,000			10B
Expenditure limit for the stand-alone corporation ($ 3,000,000 **multiplied** by amount 10B)*			10C

For an associated corporation

If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49* **400**

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount 10C or line 400 ______ x Number of days in the tax year 365 / 365 = ______ 10D

Your SR&ED expenditure limit for the year (enter amount 10C, line 400, or amount 10D, whichever applies) **410**

* Amount 10C or line 400 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Qualified SR&ED expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less*	420		x	35 %	=	11A
Line 350 **minus** line 410 (if negative, enter "0")	430		x	15 %	=	11B

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) . . . . ______

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC**	460		x	35 %	=	11C
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred before 2015	480		x	20 %	=	11D
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred after 2014	490		x	15 %	=	11E

Subtotal (total of amounts 11C to 11E) ______ ▶ ______ 11F

Current-year SR&ED ITC (total of amounts 11A, 11B, and 11F; enter on line 540 in Part 12) . . . ______ 11G

* For corporations that are not CCPCs, enter "0" for amount 11A.

** If you were a CCPC, this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **Additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year			12A
Credit deemed as a remittance of co-op corporations	510		
Credit expired	515		
Subtotal (line 510 **plus** line 515)		▶	12B
ITC at the beginning of the tax year (amount 12A **minus** amount 12B)		520	
Credit transferred on an amalgamation or the wind-up of a subsidiary	530		
Total current-year credit (from amount 11G)	540		
Credit allocated from a partnership	550		
Subtotal (total of lines 530 to 550)		▶	12C
Total credit available (line 520 **plus** amount 12C)			12D
Credit deducted from Part I tax	560		
Credit carried back to previous years (amount 13A)		12E	
Credit transferred to offset Part VII tax liability	580		
Subtotal (total of line 560, amount 12E, and line 580)		▶	12F
Credit balance before refund (amount 12D **minus** amount 12F)			12G
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)		610	
ITC closing balance on SR&ED (amount 12G **minus** line 610)		620	

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

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

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part if you are a qualifying corporation as determined on line 101 in Part 2A.*

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount 11F) ______ 14A

Refundable credits (amount 14A or amount 12G, whichever is less) ______ 14B

Amount 14B or amount 11A, whichever is less ______ 14C

Net amount (amount 14B **minus** amount 14C; if negative, enter "0") ______ 14D

Amount 14D **multiplied** by 40 % ______ 14E

Amount 14C ______ 14F

Refund of ITC (amount 14E **plus** amount 14F – enter this, or a lesser amount, on line 610 in Part 12) ______ 14G

Include the total of line 310 in Part 5 and line 610 in Part 12 in line 780 of the T2 return.

* If you are also an excluded corporation, as determined in Part 2B, amount 14B must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount 14G.

Part 15 – Refund of ITC for CCPCs that are neither qualifying nor excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying corporation as determined on line 101 in Part 2A or an excluded corporation as determined on line 650 in Part 2B.

Credit balance before refund (amount 12G) ______ 15A

Refund of ITC (amount 15A or amount 11A, whichever is less) ______ 15B

Enter amount 15B, or a lesser amount, on line 610 in Part 12 and also include it in line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above **700**	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) **710**	Amount from column 700 or 710, whichever is less

Subtotal ______ 16A
Enter at amount 17A.

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil at amount 16B.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement **720**	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition **730**	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) **740**	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred **750**	F Amount from column D or E, whichever is less

Subtotal (total of column F) ______ 16B
Enter at amount 17B.

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ______
Enter at amount 17C.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount 16A		17A
Recaptured ITC from calculation 2, amount 16B		17B
Recaptured ITC from calculation 3, line 760 in Part 16		17C
Total recapture of SR&ED investment tax credit (total of amounts 17A to 17C) Enter at amount 26A.		17D

Pre-Production Mining

Part 18 – Account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year				18A
Credit deemed as a remittance of co-op corporations	841			
Credit expired	845			
Subtotal (line 841 **plus** line 845)			►	18B
ITC at the beginning of the tax year (amount 18A **minus** amount 18B)		850		
Credit transferred on an amalgamation or the wind-up of a subsidiary		860		
Total credit available (line 850 **plus** line 860)				18C
Amount of unused credit carried forward from previous years and applied to reduce Part I tax payable in the current year		885		
ITC closing balance from pre-production mining expenditures (amount 18C **minus** line 885)		890		

Apprenticeship Job Creation

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

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

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

	A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605	
1.	[redacted]	Powerline Technician	6,720	672	672	
			Total current-year credit (total of column E) Enter on line 640 in Part 20.		672	19A

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 20 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year			6,000	20A
Credit deemed as a remittance of co-op corporations	612			
Credit expired after 20 tax years	615			
Subtotal (line 612 **plus** line 615)				20B
ITC at the beginning of the tax year (amount 20A **minus** amount 20B)	625		6,000	
Credit transferred on an amalgamation or the wind-up of a subsidiary	630			
ITC from repayment of assistance	635			
Total current-year credit (amount 19A)	640	672		
Credit allocated from a partnership	655			
Subtotal (total of lines 630 to 655)		672	672	20C
Total credit available (line 625 **plus** amount 20C)			6,672	20D
Credit deducted from Part I tax	660			
Credit carried back to previous years (amount 21A)		20E		
Subtotal (line 660 **plus** amount 20E)				20F
ITC closing balance from apprenticeship job creation expenditures (amount 20D **minus** amount 20F)	690		6,672	

Part 21 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	931	
2nd previous tax year				Credit to be applied	932	
3rd previous tax year				Credit to be applied	933	

Total of lines 931 to 933 Enter at amount 20E. 21A

Child Care Spaces

Part 22 – Account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				22A
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			▶	22B
ITC at the beginning of the tax year (amount 22A **minus** amount 22B)			775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Credit allocated from a partnership	782			
Subtotal (line 777 **plus** line 782)			▶	22C
Total credit available (line 775 **plus** amount 22C)				22D
Credit deducted from Part I tax			785	
ITC closing balance from child care spaces expenditures (amount 22D **minus** line 785)			790	

Recapture – Child Care Spaces

Part 23 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be added to the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property, one of the following situations takes place:

- the new child care space is no longer available
- property that was an eligible expenditure for the child care space is
  - disposed of or leased to a lessee
  - converted to another use

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a))			792	
In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:				
The amount that can reasonably be considered to have been included in the original ITC	795			
25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property	797			
Amount from line 795 or line 797, whichever is less				23A

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 22. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC	799		
Total recapture of child care spaces investment tax credit (total of line 792, amount 23A, and line 799)			23B

Enter at amount 26B.

Clean technology

Part 24 – Clean technology ITC

Clean technology ITC	155	

Include in line 780 of the T2 return.

Carbon Capture, Utilization, and Storage

Part 25 – Carbon capture, utilization, and storage ITC

Carbon capture, utilization, and storage ITC	200	

Include in line 780 of the T2 return.

Summary of Investment Tax Credits

Part 26 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount 17D)		26A
Recaptured child care spaces ITC (amount 23B)		26B
Total recapture of investment tax credit (amount 26A **plus** amount 26B)		26C

Enter on line 602 of the T2 return.

Part 27 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)		27A
ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)		27B
ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 18)		27C
ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 20)		27D
ITC from child care space expenditures deducted from Part I tax (line 785 in Part 22)		27E
Total ITC deducted from Part I tax (total of amounts 27A to 27E)		27F

Enter on line 652 of the T2 return.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
672				672

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2022-12-31				
2021-12-31				
2020-12-31	6,000			6,000
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				
2010-06-30				
2009-06-30				
2008-06-30				
2007-06-30				
2006-06-30				
2005-06-30				
2004-06-30				*
Total	6,000			6,000

B+C+D+G **Total ITC utilized**

* The **ITC end of year** includes the amount of ITC expired from the 20th preceding year. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part 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:

	Line	Amount		
Reserves that have not been deducted in calculating income for the year under Part I	101	17,578,925		
Capital stock (or members' contributions if incorporated without share capital)	103	20,848,052		
Retained earnings	104	38,325,518		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	68,993,623		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		145,746,118	145,746,118	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

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

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)			145,746,118	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121			
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal (**add** lines 121 to 124)		▶		B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		145,746,118	

Part 2 – Investment allowance

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

A share of another corporation	401	400,000
A loan or advance to another corporation (other than a financial institution)	402	549,449
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	949,449

Notes:

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

Part 3 – Taxable capital

Capital for the year (line 190)		145,746,118	C
Deduct: Investment allowance for the year (line 490)		949,449	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	144,796,669	

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) 144,796,669 x (Taxable income earned in Canada **610** 1,000 / Taxable income 1,000) = **Taxable capital employed in Canada** **690** 144,796,669

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

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

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

Deduct the following amounts:

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

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

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

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

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

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

Part 5 – Calculation for purposes of the small business deduction

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

Taxable capital employed in Canada (amount from line 690)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.225%)		I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description	Operator (Note)	Amount
Promissory note payable		48,645,457 00
Deferred revenue (LT)	+	10,901,313 00
Long-term Obligations - Multiple Draw Term Loan (FS note 10)	+	369,261 00
Long-term Obligations - Bank loans (FS note 10)	+	9,077,592 00
	Total	68,993,623 00

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

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial inst

Description	Operator (Note)	Amount
Prepaid		549,449 00
	+	
	+	
	Total	549,449 00

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

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in calculating income for the year under Part I

Title Part 1 – Reserves that have not been deducted in calculating income for the

Description	Operator (Note)	Amount	
Reserves, Schedule 13s		14,568,917	00
Deferred tax liabilities	+	3,010,008	00
	+		
	Total	17,578,925	00

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

Attached Schedule with Total

Part 2 – A share of another corporation

Title Part 2 – A share of another corporation

Description	Operator (Note)	Amount
Investment in ConverGen INc.		400,000 00
	+	
	Total	400,000 00

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

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

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

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "**NR**") 200	Social insurance number (9 digits) 300	Trust number (T followed by 8 digits) 350	Percentage common shares 400	Percentage preferred shares 500
1	Greater Sudbury Utilities Inc	892792813RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

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

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	173,005,516
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	124,050,561
Total assets (total of lines 112 to 116)		297,056,077
Total revenue of the corporation for the tax year **	142	133,323,311
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	28,851,508
Total revenue (total of lines 142 to 146)		162,174,819

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

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

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

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

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *			210	3,040,694
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220	110,416		
Provision for deferred income taxes (debits)/cost of future income taxes	222			
Equity losses from corporations	224			
Financial statement loss from partnerships and joint ventures	226			
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230			
Other additions (see note below):				
Share of adjusted net income of partnerships and joint ventures **	228			
Total patronage dividends received, not already included in net income/loss	232			
281	282			
283	284			
Subtotal		110,416 ▶		110,416 A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320			
Provision for deferred income taxes (credits)/benefit of future income taxes	322	134,141		
Equity income from corporations	324			
Financial statement income from partnerships and joint ventures	326			
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330			
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332			
Gain on donation of listed security or ecological gift	340			
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342			
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344			
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346			
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348			
Other deductions (see note below):				
Share of adjusted net loss of partnerships and joint ventures **	328			
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334			
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336			
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338			
381 Tax recovery on net movements	382	455,888		
383	384			
385	386			
387	388			
389	390			
Subtotal		590,029 ▶		590,029 B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	2,561,081

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

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

Note

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

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

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

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

* **Rules for net income/loss**

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

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

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

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

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)		515	2,561,081	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available		▶		C
Net income subject to CMT calculation (if negative, enter "0")		520	2,561,081	

Amount from line 520: 2,561,081 x (Number of days in the tax year before July 1, 2010 ____ / Number of days in the tax year 365) x 4 % = ______ 1

Amount from line 520: 2,561,081 x (Number of days in the tax year after June 30, 2010 365 / Number of days in the tax year 365) x 2.7 % = 69,149 2

Subtotal (amount 1 **plus** amount 2) 69,149 3

Gross CMT: amount on line 3 above x OAF **	540	69,149	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		69,149	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Net CMT payable (if negative, enter "0")		69,149	E

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

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

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

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

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

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

Ontario taxable income **** / Taxable income ***** ______ = ______

Ontario allocation factor 1.00000 F

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

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

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *		1,016,479	G		
Deduct:					
CMT credit expired *	600				
CMT credit carryforward at the beginning of the current tax year * (see note below)		1,016,479	▶ 620	1,016,479	
Add:					
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)			650		
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				1,016,479	H
Deduct:					
CMT credit deducted in the current tax year (amount P from Part 5)					I
Subtotal (amount H **minus** amount I)				1,016,479	J
Add:					
Net CMT payable (amount E from Part 3)		69,149			
SAT payable (amount O from Part 6 of Schedule 512)					
Subtotal		69,149	▶	69,149	K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670	1,085,628	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

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

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

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

CMT credit available for the tax year (amount H from Part 4)					1,016,479	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)				1		
For a corporation that is not a life insurance corporation:						
CMT after foreign tax credit deduction (amount D from Part 3)	69,149	2				
For a life insurance corporation:						
Gross CMT (line 540 from Part 3)		3				
Gross SAT (line 460 from Part 6 of Schedule 512)		4				
The **greater** of amounts 3 and 4		5				
Deduct: line 2 or line 5, whichever applies:			69,149	6		
Subtotal (if negative, enter "0")				▶		N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)						
Deduct:						
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)			17,655			
Subtotal (if negative, enter "0")				▶		O
CMT credit deducted in the current tax year (least of amounts M, N, and O)						P

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

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

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

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

Complete this part if:

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

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

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

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

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year *			Q		
Deduct:					
CMT loss expired *	700				
CMT loss carryforward at the beginning of the tax year * (see note below)			▶	720	
Add:					
CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below)				750	
CMT loss available (line 720 **plus** line 750)					R
Deduct:					
CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3)					
Subtotal (if negative, enter "0")					S
Add:					
Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount)				760	
CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760)				770	T

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

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

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

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

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

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

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

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

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

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

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

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SCHEDULE 511

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

Name of corporation	Business Number	Tax year-end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

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

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	Greater Sudbury Hydro Plus Inc./ Hydro Plus Du Granc	89279 2615 RC0001	10,568,496	10,600,634
2	Greater Sudbury Telecommunications Inc / Telecommu	86593 7791 RC0001	14,952,378	7,429,134
3	Greater Sudbury Utilities Inc/Services Publics Du Gran	89279 2813 RC0001	86,987,005	3,901,525
4	1627596 Ontario Inc.	83957 9471 RC0001	8,301,232	5,587,251
5	CONVERGEN INC.	83037 5721 RC0001	3,241,450	1,332,964
6	Corporation of the City of Greater Sudbury	NR	0	0
		Total	450 124,050,561	550 28,851,508

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

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

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

*** Rules for total assets**

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

**** Rules for total revenue**

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

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SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Greater Sudbury Hydro Inc./Hydro Du Grand Sudbury Inc.	86593 7593 RC0002	2023-12-31

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

Part 1 – Corporate information

110 Name of person to contact for more information	120 Telephone number including area code
Catherine Huneault	(705) 675-7536

Is the claim filed for a CETC earned through a partnership?* . . . . . **150** 1 Yes [ ] 2 No [X]

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

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

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

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes [X] 2 No [ ]
2. Was the corporation exempt from tax under Part III of the *Taxation Act*, 2007 (Ontario)? . . . . . **210** 1 Yes [ ] 2 No [X]

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

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 11,726,343

For eligible expenditures incurred before March 27, 2009:

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

Eligible percentage = 15 % – [5 % x (amount on line 300 **minus** $ 400,000) / $ 200,000]

Eligible percentage for determining the eligible amount . . . . **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

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

Eligible percentage = 30 % – [5 % x (amount on line 300 **minus** $ 400,000) / $ 200,000]

Eligible percentage for determining the eligible amount . . . . **312** 25.000 %

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

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

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

	A Name of university, college, or other eligible educational institution **400**	B Name of qualifying co-operative education program **405**
1.	Cambrian College	Powerline Technician
2.	Cambrian College	Powerline Technician
3.	Cambrian College	Powerline Technician
4.	Cambrian College	Powerline Technician
5.	Cambrian College	Powerline Technician
6.	Cambrian College	Powerline Technician
7.		

	C Name of student **410**	D Start date of WP (see note 1 below) **430**	E End date of WP (see note 2 below) **435**
1.	[redacted]	2023-09-05	2023-12-21
2	[redacted]	2023-05-08	2023-09-01
3.	[redacted]	2023-05-08	2023-08-25
4	[redacted]	2023-05-30	2023-09-08
5.	[redacted]	2023-01-03	2023-05-01
6.	[redacted]	2023-01-03	2023-04-28

	C Name of student 410	D Start date of WP (see note 1 below) 430	E End date of WP (see note 2 below) 435
7.			

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

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

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

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	Y Total number of consecutive weeks of the student's WP (see note 3 below)
1.		10.000 %	13,303	25.000 %		14
2.		10.000 %	14,489	25.000 %		17
3.		10.000 %	13,331	25.000 %		16
4.		10.000 %	10,619	25.000 %		14
5.		10.000 %	14,581	25.000 %		16
6.		10.000 %	13,288	25.000 %		16
7.		10.000 %		25.000 %		

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
1.	3,326	3,000	3,000		3,000
2.	3,622	3,000	3,000		3,000
3.	3,333	3,000	3,000		3,000
4.	2,655	3,000	2,655		2,655
5.	3,645	3,000	3,000		3,000
6.	3,322	3,000	3,000		3,000
7.					

Ontario co-operative education tax credit (total of amounts in column K) 500 17,655 L

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L ______ x percentage on line 170 in Part 1 ______ % = ... M

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is $1,000.
If the WP begins after March 26, 2009, the maximum credit amount for the WP is $3,000.
If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

($1,000 x X/Y) + [$3,000 x (Y – X)/Y]

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009, and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received.
Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

OTHER TAXES

Taxes other than income taxes or PILs are recorded in Account 6105. Since Account 6105 is not an OM&A account, it should be excluded from all OM&A totals. GSHi has correctly excluded amounts in this account from the OM&A totals.

For GSHi, the amounts recorded in Account 6105 pertain to property taxes. GSHi uses the most recent actual property tax costs and adjusts them for anticipated increases to budget the amount for the 2025 Test Year.

NON-RECOVERABLE AND DISALLOWED EXPENSES

When a distributor incurs an expense that is non-recoverable in the revenue requirement or disallowed for regulatory purposes, it should also be excluded from the regulatory tax calculation.

GSHi confirms that it has no expenses that classify as non-recoverable or disallowed. Therefore, no adjustments for such expenses are included in the PILs model.

Exhibit 6: Revenue Requirement And Revenue Deficiency Or Sufficiency

Tab 4 (of 4): Other Revenue

OVERVIEW OF OTHER REVENUE

Other Revenue refers to income associated with distribution but obtained through sources other than distribution rates. Consequently, these other revenues are subtracted from GSHi's proposed revenue requirement. Other Revenues encompass the following categories:

1. Specific Service Revenues
2. Late Payment Charges
3. Other Operating Revenues
4. Other Income or Deductions

GSHi has prepared OEB Appendix 2-H Other Operating Revenue and has included it as Exhibit 6, Tab 4, Schedule 1, Attachment 1. GSHi made the following adjustments to that appendix:

- Formulas were corrected in columns H & I (2021 and 2022 Actuals) as they were not extending far enough to pick up the data for those years in the vlookup table
- Added in a check to ensure that the detailed revenue tables agreed to the summary table

Proposed Specific Service Charges

GSHi is not proposing any new specific service charges in this current rate application; therefore, no customer will experience any material impact from changes to the existing rates and charges.

microFIT revenues

GSHi confirms that the revenue related to MicroFIT charges are recorded as a revenue offset in account 4235 – Miscellaneous Service Revenue.

Affiliate Transaction Revenue

Shared Services Revenue is discussed in Exhibit 4, Tab 4, Schedule 2 and OEB Appendix 2-N Shared Services and Corporate Cost Allocations which is included as Exhibit 4, Tab 4, Schedule 2, Attachment 1.

It should be noted that included in Rent from Electric Property (Account 4210) is the revenue from the building rent charged to affiliate companies as well as the rent from pole attachment charges. Based on the descriptions provided in the Accounting Procedures Handbook, GSHi included the building rent revenue in this account. The associated expenses are included in account 5675 Maintenance of General Plant.

A reconciliation of any revenue charged to affiliate companies and it's associated other revenue account is provided in Exhibit 4, Tab 4, Schedule 2. Some affiliate transaction charges are reflected in Other Revenue accounts and some are reduction of OM&A cost centres. In appendix 2-H GSHi has included "Affiliate Transaction" in the breakdown of the Other Operating Revenue accounts to highlight where the charges are included in Other Revenue accounts and also provides the following table 1 as a summary.

Table 1 – Summary of Affiliate Transaction included in Other Revenue

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Year	2025 Test Year
Account 4210 - Rent From Electric Property						
Rent Revenue - Competitive Companies	- 61,234	- 62,583	- 64,152	- 73,204	- 73,205	- 73,204
Rent Revenue - Greater Sudbury Hydro Plus Inc				-325,405	-334,016	-334,016
Rent Revenue - Streetlights				- 47,755	- 46,532	- 46,532
4375 - Revenues from Non Rate-Regulated Utility Operations						
Streetlight Maintenance Revenue	-382,451	-252,015	-267,131	-318,725	-306,872	-334,724
4380 - Expenses of Non Rate-Regulated Utility Operations						
Streetlight Maintenance Revenue	382,451	252,015	267,131	318,725	306,872	334,724
Total	**- 61,234**	**- 62,583**	**- 64,152**	**-446,363**	**-453,753**	**-453,752**

As part of GSHi's 2020 Cost of Service Settlement Proposal (EB-2019-0037), the company committed to an independent review of its shared services arrangements and related cost allocation methodologies. KPMG was engaged to conduct this review, with the results presented in Exhibit 4, Tab 4, Schedule 2, Attachment 2. A key component of the project scope was evaluating GSHi's cost allocation approach in light of Ontario

Energy Board (OEB) regulatory requirements, including adherence to the Affiliate Relationship Code for Electricity Distributors and Transmitters, as outlined in Article 340 (Allocation of Costs and Transfer Pricing) of the Accounting Procedures Handbook for Electricity Distributors. The findings of this review, along with the actions taken to address them to ensure adherence to all requirements, are discussed in Exhibit 4, Tab 4, Schedule 2.

RRR Trial Balance Corrections

As part of the preparation of this application, GSHi has noted some required corrections to the balances reported certain accounts, for certain years, in the RRR Trial Balance filing. The corrections are illustrated in Table 2 below and the formulas included in Appendix 2-H Other Revenue have been overridden to reflect the corrected balances.

Table 2 – Corrections to Accounts 4355 and 4360

	2020	2021	2022	2023
4355 - Reported	-	- 50,455	- 267,862	- 40,191
4355 - Corrected	-	- 50,455	- 72,211	- 40,191
4360 - Reported	566,700	489,729	645,001	475,681
4360 - Corrected	566,700	489,729	449,350	475,681
*Greyed cells did not require any adjustment				

For accounts 4355 and 4360 Gain/Loss on Disposition of Utility and Other Property, GSHi noted a transaction in 2022 where the proceeds were recorded in account 4355 but a corresponding equal loss was recorded in account 4360. With this correction, GSHi has transferred the proceeds to account 4360 to net the two as no actual gain or loss resulted from the transaction.

Table 3 – Corrections to Account 4375 and 4380

	2020	2021	2022	2023
4375 - Reported	- 1,443,875	- 444,236	- 4,987	-
4375 - Corrected	- 2,452,794	- 1,414,446	- 1,211,297	- 954,320
4380 - Reported	1,443,875	443,959	4,987	-
4380 - Corrected	2,452,196	1,414,168	1,211,297	954,320

For accounts 4375 and 4380 Revenue/Expenses from Non Rate-Regulated Utility Operations, the differences stem from netting of streetlight maintenance and recoverable work revenues into one account, instead of being reported gross in the appropriate revenue and expense accounts (4375 and 4380). This correction affects all years. GSHi has included the gross amounts in account 4375 and 4380 for Appendix 2-H and for variance analysis purposes.

Table 4 – Corrections to Account 4310 and 4210

	2020	2021	2022	2023
4310 - Reported	- 516,770	- 170,457	- 170,457	- 170,457
4310 - Corrected	- 645,425	- 645,425	- 645,425	- 645,425
4210 - Reported	- 1,160,456	- 1,120,440	- 941,290	- 1,326,293
4210 - Corrected	- 1,160,456	- 1,120,440	- 1,176,024	- 1,529,292

*Greyed cells did not require any adjustment

For Account 4310, Regulatory Credits, the corrections pertain to the accounting treatment of Account 1575. This issue is discussed in detail in Exhibit 9, Tab 1, Schedule 1. In summary, GSHi initially treated Account 1575 as a typical variance account, using Account 4310 to record amounts transferred from the income statement to offset the balance in Account 1575, leaving a residual balance for future collection. However, upon reviewing the “Accounting Procedures Handbook Guidance” issued in March 2015—specifically sections 6 and 7, which provide guidance for LDCs on the accounting and disposition of Account 1575—GSHi recognized that its approach was not in line with the prescribed guidance. GSHi plans to correct this issue in 2024 and has reflected the appropriate balance in Account 4310 in Appendix 2-H and for variance analysis purposes.

In addition, GSHi reported the variance related to changes in pole rental revenues under account 4310, rather than account 4210, as per the OEB's guidance issued on December 16, 2021. This correction has been reflected in Appendix 2-H (Other Revenue) within Exhibit 6, Tab 4, Schedule 1, Attachment 1, and is consistently applied in the tables throughout this exhibit.

With respect to accounts 4310 and 4210, these issues were classification in nature and GSHi confirms that no amounts are included in Account 4310 or any Other Revenue account for the 2025 test year related to these or any other deferral and variance accounts.

OTHER REVENUE VARIANCE ANALYSIS

In this analysis, GSHi provides explanation for material year-over-year variances in other operating revenues from 2020 to 2025. The purpose is to assess and highlight the key drivers behind fluctuations in revenues across this period, identifying any significant trends, external factors, and operational changes that contributed to the differences each year. Table 1 presents the balances for each Other Revenue USoA Account, as outlined in Appendix 2-H (Exhibit 5, Tab 4, Schedule 2, Attachment 1), while Table 2 details the year-over-year variances and highlights accounts with material changes. A discussion of the accounts with material variances is provided below.

Table 1 – 2020 – 2025 Other Revenue by USoA Account

USoA #	USoA Description	2020 Actual	2021 Actual	2022 Actual	2023 Actual	Bridge Year	2025 Test Year
4082	Retail Services Revenues	- 34,335	- 30,658	- 31,708	- 28,458	- 31,126	- 33,284
4084	Service Transaction Requests (STR) Revenues	- 475	- 366	- 448	- 562	- 350	- 510
4086	SSS Administration Revenue	- 141,076	- 143,292	- 144,052	- 144,354	- 146,018	- 145,977
4210	Rent from Electric Property	- 985,757	- 1,120,440	- 1,176,024	- 1,529,292	- 1,538,071	- 1,420,910
4225	Late Payment Charges	- 197,952	- 167,461	- 203,680	- 188,377	- 195,000	- 200,000
4235	Miscellaneous Service Revenues	- 100,145	- 246,213	- 261,174	- 238,437	- 228,749	- 225,087
4245	Government and Other Assistance Directly Credited to Income	- 241,985	- 223,657	- 259,063	- 80,605	- 117,187	- 368,155
4310	Regulatory Credits	- 645,425	- 645,425	- 645,425	- 645,425	- 645,425	-
4355	Gain on Disposition of Utility and Other Property	-	- 50,455	- 72,211	- 40,191	-	-
4360	Loss on Disposition of Utility and Other Property	566,700	489,729	449,350	475,681	465,071	520,319
4375	Revenues from Non Rate-Regulated Utility Operations	- 2,452,794	- 1,414,446	- 1,211,297	- 954,320	- 850,657	- 825,173
4380	Expenses of Non Rate-Regulated Utility Operations	2,452,196	1,414,168	1,211,297	954,320	850,657	825,173
4385	Non Rate-Regulated Utility Rental Income	- 39,445	- 38,774	- 28,800	- 59,220	- 28,568	- 28,500
4390	Miscellaneous Non-Operating Income	- 54,712	- 313,708	- 202,916	- 190,548	- 100,000	- 122,600
4405	Interest and Dividend Income	- 73,013	- 37,710	- 80,908	- 225,228	- 80,000	- 45,000
Total		**- 1,948,219**	**- 2,528,706**	**- 2,657,059**	**- 2,895,017**	**- 2,645,423**	**- 2,069,704**

Table 2 – Other Revenue Variances

USoA #	USoA Description	2020 vs 2021	2021 vs 2022	2022 vs 2023	2023 vs 2024	2024 vs 2025	Total Change
4082	Retail Services Revenues	- 3,677	1,051	- 3,250	2,668	2,158	**- 1,051**
4084	Service Transaction Requests (STR) Revenues	- 109	82	114	- 212	160	**35**
4086	SSS Administration Revenue	2,217	760	302	1,664	- 41	**4,901**
4210	Rent from Electric Property	134,682	55,584	353,268	8,779	- 117,161	**435,153**
4225	Late Payment Charges	- 30,492	36,219	- 15,302	6,623	5,000	**2,048**
4235	Miscellaneous Service Revenues	146,067	14,961	- 22,737	- 9,688	- 3,662	**124,942**
4245	Government and Other Assistance Directly Credited to Income	- 18,328	35,406	- 178,458	36,583	250,968	**126,170**
4310	Regulatory Credits	-	-	-	-	- 645,425	**- 645,425**
4355	Gain on Disposition of Utility and Other Property	50,455	21,756	- 32,020	- 40,191	-	**-**
4360	Loss on Disposition of Utility and Other Property	76,970	40,379	- 26,330	10,609	- 55,248	**46,381**
4375	Revenues from Non Rate-Regulated Utility Operations	-1,038,348	- 203,149	- 256,977	- 103,663	- 25,484	**- 1,627,621**
4380	Expenses of Non Rate-Regulated Utility Operations	1,038,028	202,871	256,977	103,663	25,484	**1,627,023**
4385	Non Rate-Regulated Utility Rental Income	- 671	- 9,974	30,420	- 30,652	- 68	**- 10,945**
4390	Miscellaneous Non-Operating Income	258,996	- 110,791	- 12,368	- 90,548	22,600	**67,888**
4405	Interest and Dividend Income	- 35,303	43,198	144,320	- 145,228	- 35,000	**- 28,013**
Total		**580,487**	**128,353**	**237,958**	**- 249,594**	**- 575,719**	**121,485**

4210 - Rent from Electric Property

Account 4210 – Rent from Electric Property includes rent revenue collected by GSHi for pole rentals by telecommunications companies and other local distribution companies (LDCs), as well as rent from affiliated companies for office space in GSHi's main office building. Table 3 below provides a detailed breakdown of the account balances from 2020 to 2025, highlighting material variances.

Table 3 – Rent from Electric Property Balances and Variances

4210 - Rent from Electric Property		
Year	**Account Balance**	**Variance Over Prior Year**
2020 Actual	- 985,757	
2021 Actual	- 1,120,440	134,682
2022 Actual	- 1,176,024	55,584
2023 Actual	- 1,529,292	353,268
2024 Bridge Year	- 1,538,071	8,779
2025 Test Year	- 1,420,910	- 117,161

The variance noted in 2023 vs 2022 relates to the introduction of fair market rent charged to GSHPi and Streetlights as per the KPMG Report on Shared Services and Cost Allocations Review included as Exhibit 4, Tab 4, Schedule 2, Attachment 2. GSHi also notes that the revenue related to Pole Rentals in this account in the test year is based on a rate of $39.14 per EB-2024-0227 and the decrease is related to the end of the variance between the rate that was embedded in GSHi's 2020 Cost of Service Application (EB-2019-0037) and the current approved rate.

4245 - Government and Other Assistance Directly Credited to Income

Included in account 4245 – Government and Other Assistance Directly Credited to Income is the amortization of GSHi's deferred revenue collected in aid of capital construction, previously referred to as Contributed Capital.

Table 4 - 4245 - Government and Other Assistance Directly Credited to Income Balances and Variances

4245 - Government and Other Assistance Directly Credited to Income		
Year	Account Balance	Variance Over Prior Year
2020 Actual	- 241,985	
2021 Actual	- 223,657	- 18,328
2022 Actual	- 259,063	35,406
2023 Actual	- 80,605	- 178,458
2024 Bridge Year	- 117,187	36,583
2025 Test Year	- 368,155	250,968

Account 4245 shows a variance related to the timing of economic evaluation calculations for capital contributions. For several years, these calculations were deferred due to complexities and capacity constraints, resulting in a cumulative liability. Each project requiring evaluation added to this balance. In 2023 and 2024, the necessary calculations were completed, and payments were issued to the developers. The variance reflects the corrections made to contributions following these evaluations, with further details provided in Exhibit 2, Tab 2, Schedule 1. The amount included in the 2025 Test Year reflects a normal year, with only the expected deferred revenue amortization and no additional adjustments.

4310 – Regulatory Credits

Included in this account for 2020 – 2024 is the result of the disposition of the account 1575. It is the credit side of the depreciation of the asset amount disposed ($3,227,125).

Table 5 – Regulatory Credits Balances and Variances

4310 - Regulatory Credits		
Year	Account Balance	Variance Over Prior Year
2020 Actual	- 645,425	
2021 Actual	- 645,425	-
2022 Actual	- 645,425	-
2023 Actual	- 645,425	-
2024 Bridge Year	- 645,425	-
2025 Test Year	-	- 645,425

The variance in the 2025 Test Year results because there are no such amounts included in the 2025 Test Year as the collection of the rate rider for account 1575 ceases with this current Cost of Service Application.

4375/4380 – Revenue/Expenses from Non Rate-Regulated Utility Operations

These accounts are used to record the revenues and expenses associated with both streetlight maintenance activities and recoverable type work. In 2020 – 2022 these accounts also contained balances related to CDM and Affordability Fund Trust activity, which is not included in the 2025 Test Year. These accounts offset each other, normally in their entirety. For purposes of providing a variance analysis, GSHi provides the following information:

Table 6 – Details of Non Rate-Regulated Utility Operations

Type of Activity	2020	2021	2022	2023	2024	2025
Streetlight Maintenance	382,451	252,015	267,131	318,725	306,872	334,724
Recoverable Work	625,870	718,194	939,179	635,595	543,785	490,449
OPA Programs	237,917	117,080	4,987			
Affordability Fund Trust	1,199,186	326,879				
Miscellaneous	6,772	278				
Total	**2,452,196**	**1,414,446**	**1,211,297**	**954,320**	**850,657**	**825,173**

Table 7 – Variances for Non Rate-Regulated Utility Operations

Type of Activity	2020 vs 2021	2021 vs 2022	2022 vs 2023	2023 vs 2024	2024 vs 2025
Streetlight Maintenance	- 130,436	15,116	51,594	- 11,853	27,852
Recoverable Work	92,324	220,985	- 303,583	- 91,810	- 53,336
OPA Programs	- 120,837	- 112,092	- 4,987	-	-
Affordability Fund Trust	- 872,307	- 326,879	-	-	-
Miscellaneous	- 6,494	- 278	-	-	-
Total	**- 1,037,750**	**- 203,149**	**- 256,977**	**- 103,663**	**- 25,484**

Recoverable work: The 2022 Recoverable Work value includes approximately $156,000 for storm assistance provided to Hydro One following the May 21, 2022, storm. GSHi deployed two crews to help with cleanup and power restoration for Hydro One customers affected by the severe weather. This level of assistance was outside GSHi’s typical operations, resulting in an unusual increase in recoverable work for the year. The amount returns to normal levels in the following year as no such assistance was required by GSHi.

The Affordability Fund Trust: This program launched by the Government of Ontario worked with local utilities to distribute benefits, targeting customers who did not qualify for other low-income energy assistance programs but still needed support to reduce their energy usage and bills. Administered through GSHi’s CDM department, the program concluded in 2021, leading to the variance observed in the related revenue line item.

4390 - Miscellaneous Non-Operating Income

Included in this account is sale of scrap materials and service as well as other miscellaneous revenue.

Table 8 – Miscellaneous Non-Operating Income Balances and Variances

4390 - Miscellaneous Non-Operating Income		
Year	Account Balance	Variance Over Prior Year
2020 Actual	- 54,712	
2021 Actual	- 313,708	258,996
2022 Actual	- 202,916	- 110,791
2023 Actual	- 190,548	- 12,368
2024 Bridge Year	- 100,000	- 90,548
2025 Test Year	- 122,600	22,600

The variance in 2021 for this account is primarily due to market prices for scrap far exceeding historical levels, combined with an increase in scrap available for sale as a result of the Gemmell Station rebuild. Additionally, GSHi wrote off stale-dated cheques that had accumulated over the past five years, contributing further to the variance.

Other Revenue Forecast for 2024 and 2025

The other revenue forecasts for 2024 and 2025 are primarily based on historical actuals, with adjustments made for any known changes or factors as discussed above. These forecasts have also been updated to reflect the removal of items that will no longer be relevant in 2025, while otherwise maintaining consistency with historical trends.

Attachment 1 (of 1):

OEB Appendix 2-H Other Operating Revenue

File Number:	EB-2024-0026
Exhibit:	6
Tab:	4
Schedule:	2
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Date:	30-Oct-24

TO BE UPDATED AT THE DRAFT RATE ORDER STAGE

Appendix 2-H
Other Operating Revenue

USoA #	USoA Description	2020 Actual²	2021 Actual²	2022 Actual²	2023 Actual	Bridge Year	Test Year
		2020	2021	2022	2023	2024	2025
	Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
4082	Retail Services Revenues	-$ 34,335	-$ 30,658	-$ 31,708	-$ 28,458	-$ 31,126	-$ 33,284
4084	Service Transaction Requests (STR) Revenues	-$ 475	-$ 366	-$ 448	-$ 562	-$ 350	-$ 510
4086	SSS Administration Revenue	-$ 141,076	-$ 143,292	-$ 144,052	-$ 144,354	-$ 146,018	-$ 145,977
4090	Electric Services Incidental to Energy Sales	$ -	$ -	$ -			
4205	Interdepartmental Rents	$ -	$ -	$ -			
4210	Rent from Electric Property	-$ 985,757	-$ 1,120,440	-$ 1,176,024	-$ 1,529,292	-$ 1,538,071	-$ 1,420,910
4215	Other Utility Operating Income	$ -	$ -	$ -			
4220	Other Electric Revenues	$ -	$ -	$ -			
4225	Late Payment Charges	-$ 197,952	-$ 167,461	-$ 203,680	-$ 188,377	-$ 195,000	-$ 200,000
4230	Sales of Water and Water Power	$ -	$ -	$ -			
4235	Miscellaneous Service Revenues	-$ 100,145	-$ 246,213	-$ 261,174	-$ 238,437	-$ 228,749	-$ 225,087
4240	Provision for Rate Refunds	$ -	$ -	$ -			
4245	Government and Other Assistance Directly Credited to Income	-$ 241,985	-$ 223,657	-$ 259,063	-$ 80,605	-$ 117,187	-$ 368,155
4305	Regulatory Debits	$ -	$ -	$ -			
4310	Regulatory Credits	-$ 645,425	-$ 645,425	-$ 645,425	-$ 645,425	-$ 645,425	
4315	Revenues from Electric Plant Leased to Others	$ -	$ -	$ -			
4320	Expenses of Electric Plant Leased to Others	$ -	$ -	$ -			
4325	Revenues from Merchandise	$ -	$ -	$ -			
4330	Costs and Expenses of Merchandising	$ -	$ -	$ -			
4335	Profits and Losses from Financial Instrument Hedges	$ -	$ -	$ -			
4340	Profits and Losses from Financial Instrument Investments	$ -	$ -	$ -			
4345	Gains from Disposition of Future Use Utility Plant	$ -	$ -	$ -			
4350	Losses from Disposition of Future Use Utility Plant	$ -	$ -	$ -			
4355	Gain on Disposition of Utility and Other Property	$ -	-$ 50,455	-$ 72,211	-$ 40,191		
4357	Gain from Retirement of Utility and Other Property	$ -	$ -	$ -			
4360	Loss on Disposition of Utility and Other Property	$ 566,700	$ 489,729	$ 449,350	$ 475,681	$ 465,071	$ 520,319
4362	Loss from Retirement of Utility and Other Property	$ -	$ -	$ -			
4365	Gains from Disposition of Allowances for Emission	$ -	$ -	$ -			
4370	Losses from Disposition of Allowances for Emission	$ -	$ -	$ -			
4375	Revenues from Non Rate-Regulated Utility Operations	-$ 2,452,794	-$ 1,414,446	-$ 1,211,297	-$ 954,320	-$ 850,657	-$ 825,173
4380	Expenses of Non Rate-Regulated Utility Operations	$ 2,452,196	$ 1,414,168	$ 1,211,297	$ 954,320	$ 850,657	$ 825,173
4385	Non Rate-Regulated Utility Rental Income	-$ 39,445	-$ 38,774	-$ 28,800	-$ 59,220	-$ 28,568	-$ 28,500
4390	Miscellaneous Non-Operating Income	-$ 54,712	-$ 313,708	-$ 202,916	-$ 190,548	-$ 100,000	-$ 122,600
4395	Rate-Payer Benefit Including Interest	$ -	$ -	$ -			
4398	Foreign Exchange Gains and Losses, Including Amortization	$ -	$ -	$ -			
4405	Interest and Dividend Income	-$ 73,013	-$ 37,710	-$ 80,908	-$ 225,228	-$ 80,000	-$ 45,000
4410	Lessor's Net Investment in Finance Lease	$ -	$ -	$ -			
4415	Equity in Earnings of Subsidiary Companies	$ -	$ -	$ -			
4420	Share of Profit or Loss of Joint Venture	$ -	$ -	$ -			
Miscellaneous Service Revenues		-$ 100,145	-$ 246,213	-$ 261,174	-$ 238,437	-$ 228,749	-$ 225,087
Late Payment Charges		-$ 197,952	-$ 167,461	-$ 203,680	-$ 188,377	-$ 195,000	-$ 200,000
Other Operating Revenues		-$ 1,403,628	-$ 1,518,413	-$ 1,611,295	-$ 1,783,270	-$ 1,832,752	-$ 1,968,836
Other Income or Deductions		-$ 246,493	-$ 596,620	-$ 580,910	-$ 684,932	-$ 388,922	$ 324,219
Total		-$ 1,948,219	-$ 2,528,706	-$ 2,657,059	-$ 2,895,017	-$ 2,645,423	-$ 2,069,704

Description	Account(s)
Specific Service Charges:	4235
Late Payment Charges:	4225
Other Distribution Revenues:	4082, 4084, 4086, 4090, 4205, 4210, 4215, 4220, 4230, 4240, 4245
Other Income and Expenses:	4305, 4310, 4315, 4320, 4325, 4330, 4335, 4340, 4345, 4350, 4355, 4357, 4360, 4362, 4365, 4370, 4375, 4380, 4385, 4390, 4395, 4398, 4405, 4410, 4415, 4420

Note: Add all applicable accounts listed above to the table and include all relevant information.

Account Breakdown Details

For each "Other Operating Revenue" and "Other Income or Deductions" Account, a detailed breakdown of the account components is required. See the example below for Account 4405, Interest and Dividend Income. Tables for the detailed breakdowns will be generated after cell B101 is filled in.

Example: Account 4405 - Interest and Dividend Income

	2020 Actual²	2021 Actual²	2022 Actual²	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Short-term Investment Interest						
Bank Deposit Interest						
Miscellaneous Interest Revenue						
etc.[1]						
Total	$ -	$ -	$ -	$ -	$ -	$ -

Notes:

1 List and specify any other interest revenue.

2 For applicants rebasing under IFRS for the first time, in the transition year (2014) to IFRS, the applicant is to present information in both MIFRS and CGAAP.

12 **Enter the number of "Other Operating Revenue" and "Other Income or Deductions" Accounts that require a detailed breakdown of the account components.**

4082 Retail Services Revenues

	2020 Actual²	2021 Actual²	2022 Actual²	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
DCBR Bill Charges	-$ 9,616	-$ 8,323	-$ 8,363	-$ 7,218	-$ 8,197	-$ 9,021
Monthly Fixed Fees Retailers	-$ 8,607	-$ 8,303	-$ 9,669	-$ 8,962	-$ 9,239	-$ 8,889
Monthly Variable Charges	-$ 16,112	-$ 14,032	-$ 13,677	-$ 12,278	-$ 13,690	-$ 15,374
$100 fixed fee charges						
Total	-$ 34,335	-$ 30,658	-$ 31,708	-$ 28,458	-$ 31,126	-$ 33,284
	-	-	-	-	-	-

4084 - Service Transaction Requests (STR) Revenues

	2020 Actual²	2021 Actual²	2022 Actual²	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Service Transaction Request Fees	-$ 475	-$ 366	-$ 448	-$ 562	-$ 350	-$ 510
Total	-$ 475	-$ 366	-$ 448	-$ 562	-$ 350	-$ 510
	-	-	-	-	-	-

4086 - SSS Administration Revenue

	2020 Actual²	2021 Actual²	2022 Actual²	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Residential SSS Administration	-$ 127,474	-$ 129,349	-$ 129,968	-$ 130,243	-$ 130,602	-$ 130,266
GS<50 kw SSS Administration	-$ 11,439	-$ 11,778	-$ 11,900	-$ 12,051	-$ 13,290	-$ 13,212
GS>50 kw SSS Administration	-$ 1,215	-$ 1,222	-$ 1,248	-$ 1,132	-$ 1,170	-$ 1,305
Unmetered Scattered Load SSS Administration	-$ 495	-$ 486	-$ 480	-$ 474	-$ 500	-$ 738
Sentinel Light SSS Administration	-$ 447	-$ 451	-$ 450	-$ 448	-$ 450	-$ 450
Streetlight SSS Administration	-$ 6	-$ 6	-$ 6	-$ 6	-$ 6	-$ 6
Total	-$ 141,076	-$ 143,292	-$ 144,052	-$ 144,354	-$ 146,018	-$ 145,977
	-	-	-	-	-	-

4210 - Rent from Electric Property

	2020 Actual²	2021 Actual²	2022 Actual²	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Pole rentals	-$ 1,099,222	-$ 1,057,857	-$ 877,138	-$ 879,929	-$ 919,930	-$ 967,158
Net Movement - 1508 Incremental Pole Rental Revenue	$ 174,699		-$ 234,734	-$ 202,999	-$ 164,388	
Rent Revenue - Competitive Companies	-$ 61,234	-$ 62,583	-$ 64,152	-$ 73,204	-$ 73,205	-$ 73,204
Rent Revenue - Greater Sudbury Hydro Plus Inc				-$ 325,405	-$ 334,016	-$ 334,016
Rent Revenue - Streetlights				-$ 47,755	-$ 46,532	-$ 46,532
Total	-$ 985,757	-$ 1,120,440	-$ 1,176,024	-$ 1,529,292	-$ 1,538,071	-$ 1,420,910
	-	-	-	-	-	-

4245 - Government and Other Assistance Directly Credited to Income

	2020 Actual[2]	2021 Actual[2]	2022 Actual[2]	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Deferred Revenue Depreciation	-$ 241,985	-$ 223,657	-$ 259,063	-$ 80,605	-$ 117,187	-$ 368,155
Total	-$ 241,985	-$ 223,657	-$ 259,063	-$ 80,605	-$ 117,187	-$ 368,155
	-	-	-	-	-	-

4305 - Regulatory Debits/4310 - Regulatory Credits

	2020 Actual[2]	2021 Actual[2]	2022 Actual[2]	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Net Movement - 1575 IFRS CGAAP Transitional PP&E	-$ 645,425	-$ 645,425	-$ 645,425	-$ 645,425	-$ 645,425	
Total	-$ 645,425.00	-$ 645,425.00	-$ 645,425.00	-$ 645,425.00	-$ 645,425.00	$ -
	-	-	-	-	-	-

4355 - Gain on Disposition of Utility and Other Property

	2020 Actual[2]	2021 Actual[2]	2022 Actual[2]	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Proceeds on Capital Disposal		-$ 50,455	-$ 72,211	-$ 40,191		
Total	$ -	-$ 50,455	-$ 72,211	-$ 40,191	$ -	$ -
	-	-	-	-	-	-

4360 - Loss on Disposition of Utility and Other Property

	2020 Actual[2]	2021 Actual[2]	2022 Actual[2]	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Loss on Capital Disposal	$ 470,320	$ 489,729	$ 449,350	$ 475,681	$ 465,071	$ 520,319
Impairment Loss	$ 96,380					
Total	$ 566,700	$ 489,729	$ 449,350	$ 475,681	$ 465,071	$ 520,319
	-	-	-	-	-	-

4375 - Revenues from Non Rate-Regulated Utility Operations

	2020 Actual[2]	2021 Actual[2]	2022 Actual[2]	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Streetlight Maintenance Revenue	-$ 382,451	-$ 252,015	-$ 267,131	-$ 318,725	-$ 306,872	-$ 334,724
OPA Programs Revenue	-$ 237,917	-$ 117,080	-$ 4,987			
Affordability Fund Trust Revenue	-$ 1,199,186	-$ 326,879				
Recoverable Work Revenue	-$ 626,468	-$ 718,194	-$ 939,179	-$ 635,596	-$ 543,785	-$ 490,449
Miscellaneous Revenue	-$ 6,772	-$ 278				
Total	-$ 2,452,794	-$ 1,414,446	-$ 1,211,297	-$ 954,320	-$ 850,657	-$ 825,173
	-	-	-	-	-	-

4380 - Expenses of Non Rate-Regulated Utility Operations

	2020 Actual[2]	2021 Actual[2]	2022 Actual[2]	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Streetlight Maintenance Expenses	$ 382,451	$ 252,015	$ 267,131	$ 318,725	$ 306,872	$ 334,724
OPA Programs Expenses	$ 237,917	$ 117,080	$ 4,987			
Affordability Fund Trust Expenses	$ 1,199,186	$ 326,879				
Recoverable Work Expenses	$ 625,870	$ 718,194	$ 939,179	$ 635,595	$ 543,785	$ 490,449
Miscellaneous Expenses	$ 6,772					
Total	$ 2,452,196	$ 1,414,168	$ 1,211,297	$ 954,320	$ 850,657	$ 825,173
	-	-	-	-	-	-

4390 - Miscellaneous Non-Operating Income						
	2020 Actual[2]	2021 Actual[2]	2022 Actual[2]	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Sale of Materials/Service	-$ 1,095	-$ 41,929	-$ 76,252	-$ 26,496	-$ 15,000	-$ 37,700
Sale of Scrap Material	-$ 47,126	-$ 153,272	-$ 124,447	-$ 105,806	-$ 85,000	-$ 84,900
Miscellaneous	-$ 6,491	-$ 118,507	-$ 2,217	-$ 58,246		
Total	-$ 54,712	-$ 313,708	-$ 202,916	-$ 190,548	-$ 100,000	-$ 122,600
	-	-	-	-	-	-

4405 - Interest and Dividend Income						
	2020 Actual[2]	2021 Actual[2]	2022 Actual[2]	2023 Actual	Bridge Year	Test Year
	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Interest Revenue	-$ 27,614	-$ 15,271	-$ 930	-$ 3		
Deferral/Variance Account Revenue	-$ 45,399	-$ 22,439	-$ 79,978	-$ 225,225	-$ 80,000	-$ 45,000
Total	-$ 73,013	-$ 37,710	-$ 80,908	-$ 225,228	-$ 80,000	-$ 45,000
	-	-	-	-	-	-