Consolidated Financial Statements of

NEWMARKET HYDRO HOLDINGS INC.

And Independent Auditor's Report thereon

Year ended December 31, 2022

KPMG

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Newmarket Hydro Holdings Inc.

Opinion

We have audited the consolidated financial statements of Newmarket Hydro Holdings Inc. (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of income for the year then ended
- the consolidated statement of changes in equity and accumulated other comprehensive loss for the year then ended
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International financial reporting standards (IFRS).

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 Entity 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.

Other Matter - Comparative Information

The financial statements as at and for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 13, 2022.

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 International financial reporting standards (IFRS), 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

June 6, 2023

NEWMARKET HYDRO HOLDINGS INC.

Consolidated Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash (note 5)	$ -	$ 6,241,410
Short-term investments (note 6)	25,999	3,125,839
Accounts receivable	15,257,644	15,890,884
Inventories	1,790,081	1,155,564
Income taxes receivable	18,604	47,659
Notes receivable (note 4)	1,167,000	-
Prepaid expenses	529,694	516,533
Unbilled revenue	10,219,527	9,005,868
Other assets	38,000	-
Total current assets	29,046,549	35,983,757
Non-current assets:		
Property, plant and equipment (note 7)	125,561,149	121,989,512
Unrealized gain on interest rate swaps (note 14)	3,903,189	-
Investments (note 22)	153,332	252,474
Right-of-use assets (note 16)	2,006,490	2,785,376
Intangible assets (note 8)	8,857,383	8,367,031
Other assets	539,716	-
Goodwill (note 9)	6,864,284	6,864,284
Deferred income taxes (note 10)	2,242,532	2,136,335
Long-term portion of notes receivable (note 4)	3,684,000	-
Total non-current assets	153,812,075	142,395,012
Total assets	182,858,624	178,378,769
Regulatory deferral account debit balances (note 11)	9,101,996	4,766,695
Total assets and regulatory balances	$ 191,960,620	$ 183,145,464

See accompanying notes to consolidated financial statements.

NEWMARKET HYDRO HOLDINGS INC.

Consolidated Statement of Financial Position (continued)

December 31, 2022, with comparative information for 2021

	2022	2021
Liabilities		
Current liabilities:		
Bank indebtedness (note 5)	$ 4,381,783	$ -
Accounts payable and accrued liabilities (note 12)	20,838,178	21,892,316
Current portion of lease liabilities (note 16)	383,394	362,010
Bank loan (note 26)	-	3,050,000
Current portion of long-term debt (note 13)	665,066	659,406
Due to related party	40,896	40,896
Current portion of deposits held (note 18)	103,519	688,586
Current portion of subordinated debt (note 15)	-	22,000,000
Total current liabilities	26,412,836	48,693,214
Non-current liabilities:		
Long-term debt (note 13)	53,561,224	32,225,390
Unrealized loss interest rate swaps (note 14)	-	1,995,157
Subordinated debt (note 15)	1,742,821	1,742,821
Contributed capital (note 17)	39,864,522	38,441,617
Deferred income taxes (note 10)	4,060,218	1,316,126
Deposits held (note 18)	2,462,954	2,455,871
Employee future benefits (note 19)	1,188,935	1,600,364
Lease liability (note 16)	1,774,559	2,542,211
Total non current liabilities	104,655,233	82,319,557
Total liabilities	131,068,069	131,012,771
Equity:		
Share capital (note 21)	29,609,342	29,609,342
Accumulated other comprehensive income (loss)	317,037	(63,519)
Retained earnings	26,975,838	18,590,992
	56,902,217	48,136,815
Non-controlling interest (note 29)	3,990,334	3,330,309
	60,892,551	51,467,124
Regulatory deferral account credit balances (note 11)	-	665,569
Total liabilities, equity and regulatory balances	$ 191,960,620	$ 183,145,464

Contingencies (note 33)

See accompanying notes to consolidated financial statements.

On behalf of the Board:

_______________________ Director _______________________ Director

NEWMARKET HYDRO HOLDINGS INC.

Consolidated Statement of Income

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Distribution revenue	$ 24,051,382	$ 23,377,303
Internet revenue	920,468	780,110
Cost of power revenue	101,782,151	102,605,247
	126,754,001	126,762,660
Cost of sales:		
Indirect costs	419,295	374,357
Cost of power purchased	105,931,804	105,555,634
	105,931,804	105,555,634
	106,351,099	105,929,991
Gross profit	20,402,902	20,832,669
Other income (note 23)	1,600,153	1,526,680
Income from operations	22,003,055	22,359,349
Expenses and other (income):		
Amortization of capital assets	6,071,779	5,789,133
Operating expenses (note 27)	15,070,120	13,474,081
Loss on sale of property, plant and equipment	324,306	277,416
Gain on interest rate swap (note 14)	(5,898,345)	(1,766,967)
Gain on sale of business (note 28)	(3,487,970)	-
	12,079,890	17,773,663
Income before undernoted items and income taxes	9,923,165	4,585,686
Finance income (note 24)	610,022	283,681
Government grants	-	10,838
Finance costs (note 24)	(2,197,584)	(2,523,077)
	(1,587,562)	(2,228,558)
Income before income taxes	8,335,603	2,357,128
Income taxes (note 10):		
Provision for income taxes current	16,475	10,153
Provision for income taxes deferred	2,529,456	1,480,084
	2,545,931	1,490,237
Income before net movement in regulatory deferral accounts, net of deferred tax	5,789,672	866,891
Net movement in regulatory deferral accounts, net of deferred tax	4,824,555	2,785,804
Net income for the year	$ 10,614,227	$ 3,652,695

NEWMARKET HYDRO HOLDINGS INC.

Consolidated Statement of Income

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Attributable to:		
Owners of the parent	$ 9,870,846	$ 3,407,385
Non-controlling interests	743,381	245,310
	$ 10,614,227	$ 3,652,695

See accompanying notes to consolidated financial statements.

NEWMARKET HYDRO HOLDINGS INC.

Consolidated Statement of Changes in Equity and Accumulated Other Comprehensive Loss

Year ended December 31, 2022, with comparative information for 2021

	Share capital	Retained earnings	Accumulated other comprehensive income	Total equity before non-controlling interest	Non-controlling interest	Total equity
Balance, December 31, 2020	$ 29,609,342	$ 16,519,607	$ (130,519)	$ 45,998,430	$ 3,180,956	$ 49,179,386
Net income for the year	-	3,407,385	-	3,407,385	245,310	3,652,695
Other comprehensive income	-	-	67,000	67,000	5,043	72,043
Dividends paid	-	(1,336,000)	-	(1,336,000)	(101,000)	(1,437,000)
Balance, December 31, 2021	29,609,342	18,590,992	(63,519)	48,136,815	3,330,309	51,467,124
Net income for the year	-	9,870,846	-	9,870,846	743,381	10,614,227
Other comprehensive income	-	-	380,556	380,556	28,644	409,200
Dividends paid	-	(1,486,000)	-	(1,486,000)	(112,000)	(1,598,000)
Balance, December 31, 2022	$ 29,609,342	$ 26,975,838	$ 317,037	$ 56,902,217	$ 3,990,334	$ 60,892,551

See accompanying notes to consolidated financial statements.

NEWMARKET HYDRO HOLDINGS INC.

Statement of Comprehensive Income

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Net income for the year	$ 10,614,227	$ 3,652,695
Other comprehensive income (loss):		
Actuarial gain, not reclassified to net income	409,200	98,018
Actuarial gain related deferred income tax not reclassified to net income	(108,438)	(25,975)
Net movement in regulatory balances, net of tax	108,438	-
Other comprehensive income	409,200	72,043
Total comprehensive income for the year	$ 11,023,427	$ 3,724,738
Attributable to:		
Owners of the parent	$ 10,251,402	$ 3,474,385
Non-controlling interests	772,025	250,353
	$ 11,023,427	$ 3,724,738

See accompanying notes to consolidated financial statements.

NEWMARKET HYDRO HOLDINGS INC.

Consolidated Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Net income for the year	$ 10,614,227	$ 3,652,695
Items not involving cash:		
Amortization of property, plant and equipment	5,614,598	5,509,757
Amortization of intangible asset	357,941	99,713
Amortization of right-of-use assets	463,513	464,002
Deferred income taxes	2,637,895	1,506,058
Loss on sale of property, plant and equipment	324,306	277,416
Change in employee future benefits	(4,529)	(25,216)
Net finance costs	1,587,562	2,239,395
Recognition of contributed capital	(1,019,434)	(1,009,766)
Gain on sale of business	(3,487,970)	-
Current income tax	16,475	10,153
Gain on interest rate swap	(5,898,345)	(1,766,967)
Income (loss) from Ecobility Inc.	99,142	(106,346)
	11,305,381	10,850,894
Changes in non-cash operating working capital (note 25)	(2,304,748)	6,801,204
	9,000,633	17,652,098
Financing activities:		
Repayment of long-term debt	(657,513)	(2,632,386)
Proceeds of long-term debt	22,000,000	12,391,050
Repayment of lease liability	(404,601)	(378,151)
Repayment subordinated debt	(22,000,000)	-
Repayment of bank loan	(3,050,000)	-
Increase in bank loan	-	300,000
Dividends paid	(1,598,000)	(1,437,000)
Interest paid	(2,197,584)	(2,523,076)
	(7,907,698)	5,720,437
Investing activities:		
Purchase of property, plant and equipment	(11,370,607)	(13,828,395)
Proceeds on disposal of property, plant and equipment	5,401,700	15,125
Proceeds on investments	3,099,840	-
Purchase of investments	-	(3,100,084)
Change in regulatory deferral accounts	(5,000,870)	(3,995,567)
Notes receivable	(4,851,000)	-
Purchase of intangible assets	(859,813)	(585,395)
Contributions received from customers	2,442,338	1,563,779
Purchase of other assets	(577,716)	-
	(11,716,128)	(19,930,537)
Increase (decrease) in cash	(10,623,193)	3,441,998
Cash, beginning of year	6,241,410	2,799,412
Cash (bank indebtedness), end of year	$ (4,381,783)	$ 6,241,410

See accompanying notes to consolidated financial statements.

Reporting entity:

Newmarket Hydro Holdings Inc. (the "Company") was incorporated April 10, 2000 under the Business Corporations Act of the Province of Ontario. The Company commenced operations on November 1, 2000. Newmarket Hydro Holdings Inc. is wholly-owned by the Town of Newmarket. The address of its registered office and its principal place of business is 590 Steven Ct, Newmarket, ON L3Y 6Z2.

The principal activity of the Company is to distribute electricity to the residents and businesses in the Town of Newmarket, the Town of Midland and the Township of Tay under licence issued by the Ontario Energy Board ("OEB"). The Company is regulated by the OEB and adjustments to its distribution rates require OEB approval.

Until November 30, 2022 (note 28), the Company also offered high speed internet to the Newmarket community by providing its customers with the necessary infrastructure and equipment to utilize the service.

1. Statement of compliance:

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements for the year ended December 31, 2022 were approved and authorized for issue by the Board of Directors on May 24, 2023.

2. Basis of consolidation:

The consolidated financial statements include the accounts of its subsidiaries Newmarket-Tay Power Distribution Ltd. and NT Holdings Inc. (formerly Envi Networks Ltd.). Tay-Hydro Inc. has a 7% interest in Newmarket-Tay Power Distribution Ltd. and NT Holdings Inc. All significant intercompany transactions and balances have been eliminated on consolidation.

3. Significant accounting policies:

These financial statements are prepared in accordance with IFRS. The significant accounting policies are detailed as follows:

(a) Basis of measurement:

The financial statements are prepared on the historical cost basis except for certain financial instruments which are measured at their fair values, as explained in the relevant accounting policies.

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

(b) Electricity regulation:

A subsidiary company is licensed and regulated by the OEB. The OEB is charged with the responsibility of approving rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfil obligations to connect and service customers.

The following regulatory policy is practiced in a rate regulated environment:

Regulatory accounts

Regulatory accounts represent future revenue or expenses incurred in the current or prior periods that are expected to be recovered (repaid) through the rate setting process.

These assets and liabilities include various rate and retail variance accounts which arise from differences in amounts billed to customers (based on regulated rates) and the actual cost of electricity services to the Company. These amounts are accumulated for accounting purposes because it is probable that they will be recovered (repaid) in future rates. The Company continually assesses the likelihood of the recovery of regulatory assets and likelihood of repayment of regulatory liabilities. If recovery or repayment is no longer considered probable, the amounts are charged to operations in the year the assessment is made.

3. Significant accounting policies (continued):

(c) Revenue recognition:

The Company recognizes revenue when it transfers control over a promised good or service, a performance obligation under the contract, to a customer and where the Company is entitled to consideration as a result of completion or the performance obligation.

(i) Distribution Revenue

Distribution revenue is measured based on the OEB approved rate and the meter readings for customer usage, net of sales tax and debt retirement charge. Distribution revenue also includes unbilled revenue accrued in respect of electricity delivered but not yet billed. Revenue is recognized as electricity is delivered and consumed by customers.

(ii) Cost of Power Revenue

Cost of power revenue is recorded on the basis of the power billed by the Independent Electricity System Operator ("IESO").

(iii) Contributed Capital

Contributed capital represents certain items of property, plant and equipment which are acquired or constructed with financial assistance in the form of contributions from developers. Contributed capital in-kind were valued at their fair value at the date of their contribution.

Contributions received from customers where the Company has an ongoing performance obligation to the customer are within the scope of IFRS 15. These contributions will be initially recorded at fair value recognized on a straight-line basis over the estimated life of the contract with the customers. Where contracts are perpetual, the contributed asset will be used to provide ongoing goods or services to customers and, as such, the estimated life of the contract with the customers is estimated to be equivalent to the economical useful life of the asset to which the contribution relates.

(iv) Conservation and Demand Management Revenue

Revenues related to Conservation and Demand Management ("CDM") agreements with the Independent Electricity System Operator ("IESO") are recognized on a net basis. Performance fees are recognized as CDM programs are delivered.

3. Significant accounting policies (continued):

(c) Revenue recognition (continued):

(v) Other Income

Other operating revenue is recorded when services are provided.

(iv) Internet Revenue:

Internet Revenue is recognized when a performance obligation is satisfied and the Company will recognize as revenue the amount of the transaction price that is allocated to that performance obligation. Amounts received for future services are deferred until the service is provided.

(d) Cash:

Cash consists of balances with financial institutions.

(e) Inventories:

Inventories, which consist of parts and supplies acquired for internal construction or consumption, are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes expenditures incurred in acquiring the inventories and other costs to bring the inventories to their existing location and condition.

3. Significant accounting policies (continued):

(f) Property, plant and equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset or its development when those costs are necessarily incurred for the asset to function in the manner intended by management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

All assets having limited useful lives are depreciated using the straight-line or declining balance method over their estimated useful lives. Assets are depreciated from the date of acquisition. Internally constructed assets are depreciated from the time an asset is capable of operating in the manner intended by management.

In the year of acquisition, depreciation is taken at one-half of the below rates on buildings, distribution equipment, transportation equipment, office and other.

The residual value and useful life to each class of assets are reassessed at each reporting date.

The methods of depreciation and depreciation rates applicable for each class of asset are as follows:

Asset	Rate
Buildings	10-30 years
Distribution equipment	10-50 years
Office equipment	5-10 years
Transportation and fibre equipment	5-25 years

Property, plant and equipment are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

3. Significant accounting policies (continued):

(g) Goodwill and intangible assets:

Intangible assets include computer software, land rights, licensed customer lists and goodwill. They are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives, if applicable. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The useful lives of the intangibles are as follows:

Asset	Rate
Computer software	3-5 years
Land rights	30 years
Licensed customer list	not amortized
Goodwill	not amortized

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software, (expenditures relating to patches and other minor updates as well as their installation), are expensed as incurred.

Land rights are capitalized based on the payments made for easements, right of access and right of use over land for which the Company does not hold title. Land rights are measured at cost less accumulated amortization and accumulated impairment losses.

The licensed customer list is measured at cost and not amortized but assessed for impairment annually.

Goodwill represents the cost of acquired local distribution companies in Midland in excess of fair value of the net identifiable assets purchased. Goodwill is measured at cost and is not amortized but assessed for impairment annually.

3. Significant accounting policies (continued):

(h) Right-of-use assets and lease liabilities:

The Company implemented a single accounting model, requiring lessees to recognize assets and liabilities for all leases excluding exceptions listed in the standard. The Company is a party to two lease contracts for office space in use as well as electrical substation property in Midland.

Based on the accounting policy applied, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets and lease liability are initially measured at the present value of the future lease payments, which comprises:

(a) the amount of the initial measurement of the lease liability

(b) any lease payments made at or before the commencement date, less any lease incentives;

(c) any initial direct costs incurred by the lessee; and,

(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

The initial measurement of the lease liability is based on the lease payments excluding variable elements which are dependent on external factors. Variable lease payments not included in the initial measurement of the lease liability are recognized directly in the profit and loss. The lease payments are discounted using the OEB approved rate per the Company's most recent cost of service application. The lease term as determined by the Company comprises of the non-cancelable period of the lease contracts, periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

After the commencement date the right-of-use assets are measured at the present value of the future lease payments, less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. The Company depreciates the right-of-use asset 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.

3. Significant accounting policies (continued):

(h) Right-of-use assets and lease liabilities (continued):

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and re-measuring the carrying amount to reflect any reassessment or lease modifications.

(i) Contributed capital:

Contributions for capital construction consists of contributions from customers and developers toward the cost of constructing distribution assets. The contributions are calculated through an economic evaluation as per the OEB Distribution Service Code (represents fair value) and are recorded as received. Contributed capital is amortized over the same period as the asset to which they relate.

(j) Impairment of non-financial assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. Significant accounting policies (continued):

(k) Related parties:

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(l) Employee future benefits:

The Company accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi employer public sector pension fund, as a defined contribution plan. Both participating employers and employees are required to make plan contributions based on the participating employees' contributory earnings. The Company recognizes the expense related to this plan as contributions are made. No liability has been established for this plan.

The Company pays certain medical and life insurance benefits on behalf of its retired employees. These plans are not funded and accordingly have no plan assets. The Company's net obligation is calculated by estimating the amount of future benefits that are expected to be paid out discounted to determine its present value. This calculation is actuarially performed using the projected unit credit method. The last full valuation performed was as at December 31, 2022. Service costs are recognized in the Statement of Income in operating expenses, and include current and past service costs as well as gains and losses on curtailment. Net interest expense is included in finance costs.

(m) Income taxes:

Under the Electricity Act, 1998, the Company is required to make payments in lieu of income taxes ("PILS") to the Ontario Electricity Financial Corporation ("OEFC"). Deferred income taxes are calculated using the liability method of tax accounting. In providing for income taxes, temporary differences between the tax basis of assets or liabilities and their carrying amounts are reflected as deferred income taxes. The tax rates anticipated to be in effect when these temporary differences reverse are used to calculate deferred income taxes.

3. Significant accounting policies (continued):

(n) Significant accounting estimates and judgments:

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant accounting estimates, judgments and assumptions include the following:

(i) Useful lives of depreciable assets - Depreciation and amortization expense is based on estimates of the useful lives of property, plant and equipment and intangible assets. The Company estimates the useful lives of its property, plant and equipment and intangible assets based on management's judgment, historical experience and an asset study conducted by an independent consulting firm.

(ii) Payment in lieu of taxes payable - The Company is required to make payments in lieu of taxes calculated on the same basis as income taxes on taxable income earned. Significant judgment is required in determining the provision and liability or asset for income taxes. Changes in deferred taxes may be required due to changes in future tax rates.

(iii) Employee future benefits - The cost of providing certain health, dental and life insurance benefits on behalf of its retired employees are determined using actuarial valuations.

(iv) Accounts receivable impairment - In determining the allowance for doubtful accounts, the Company considers the life-time expected credit losses that result from all possible default events over the expected life of the account balance.

(v) Leases - Management uses its judgment to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

3. Significant accounting policies (continued):

(o) Provisions:

A provision is recognized in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, 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, where appropriate, the risks specific to the liability.

Some of the Company's assets may have provision obligations. As the Company expects to use the majority of its fixed assets for an indefinite period, no removal costs can be determined and, consequently, a reasonable estimate of the fair value of any asset retirement obligations has not been made at this time.

(p) Financial instruments:

Financial assets are identified and classified based on the business model used by the Company for managing those financial assets, as one of the following: at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. Financial liabilities continue to be classified as measured at fair value through profit or loss or at amortized cost.

Financial assets and financial liabilities are presented on a net basis when the Company has a legally enforceable right to offset the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

(i) *At amortized cost*

Cash, accounts receivable and unbilled revenue are classified as financial assets at amortized cost. These financial assets are recognized initially at fair value plus directly attributable transaction costs, if any. After initial recognition, they are measured at amortized cost when they are held for collection of cash flows, where those cash flows solely represent payments of principal and interest using the effective interest rate. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset, or a shorter period when appropriate, to the gross carrying amount of the financial asset.

3. Significant accounting policies (continued):

(p) Financial instruments (continued):

The Company's accounts payable and accrued liabilities, customer deposits, subordinate debt, advance from parent company and long term debt are classified as financial liabilities at amortized cost and recognized on the date at which the Company becomes a party to the contractual arrangement. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire. Financial liabilities are initially recognized at fair value including discounts and premiums, plus directly attributable transaction costs, such as issue expenses, if any. Subsequently, these liabilities are measured at amortized cost using the effective interest rate method.

(ii) *At fair value through other comprehensive income*

Financial assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows solely represent payments of principal and interest, are classified as financial assets at fair value through other comprehensive income. These financial assets are initially recognized at fair value plus directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at fair value with unrealised gains and losses recognized in other comprehensive income, except for the recognition of impairment losses, reversal of impairment losses, interest income and foreign exchange gains and losses, gain or loss previously recognized in net income. On de-recognition of the financial asset, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to net income. Interest income from these financial assets is recognized as other income using the effective interest rate method. As at December 31, 2022, the Company does not have any financial assets, classified at fair value through other comprehensive income.

(iii) *At fair value through profit or loss*

Financial instruments at fair value through profit or loss include instruments that are designated as financial instruments at fair value through profit or loss or those financial instruments that do not meet the criteria for classification under any other category. Upon initial recognition, directly attributable transaction costs are recognized in net income as incurred. Changes in fair value of financial instruments measured at fair value through profit or loss are recognized in net income.

3. Significant accounting policies (continued):

(p) Financial instruments (continued):

(iv) *Impairment of financial assets at amortized cost*

The policy for accounts receivable and unbilled revenue allowances is to measure at an amount equal to the life-time expected credit losses that result from all possible default events over the expected life of a financial instrument. The policy for other financial assets is at life-time expected credit loss if credit risk increased significantly, if not, then at 12- month expected loss.

(q) Standards and interpretations not yet effective or adopted:

There are new standards, amendments to standards and interpretations which have not been applied in preparing these financial statements. These standards or amendments relate to the measurement and disclosure of financial assets and liabilities. The extent of the impact on adoption of these standards and amendments has not yet been determined.

i. Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
ii. Definition of Accounting Estimates (Amendments to IAS 8)
iii. Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

i. Classification of Liabilities as Current or Non-current (Amendments to IAS 1):

On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements (the 2020 amendments), to clarify the classification of liabilities as current or non-current. On October 31, 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1) (the 2022 amendments), to improve the information a company provides about long-term debt with covenants. The 2020 amendments and the 2022 amendments (collectively “the Amendments”) are effective for annual periods beginning on or after January 1, 2024. Early adoption is permitted. A company that applies the 2020 amendments early is required to also apply the 2022 amendments.

For the purposes of non-current classification, the Amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must exist at the end of the reporting period and have substance. The Amendments reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which a company must comply after the reporting date do not affect a liability’s classification at that date. The Company intends to adopt this standard in its financial statements for the annual period beginning January 1, 2024. The extent of the impact of adoption of the standard has not yet been determined.

3. Significant accounting policies (continued):

(q) Standards and interpretations not yet effective or adopted (continued):

ii. Definition of Accounting Estimates (Amendments to IAS 8)

On February 12, 2021, the IASB issued Definition of Accounting Estimates (Amendments to IAS 8). The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted. The amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The Company intends to adopt these standards in its financial statements for the annual period beginning January 1, 2023. The extent of the impact of adoption of the standard has not yet been determined.

iii. Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

On February 12, 2021, the IASB issued Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements). The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted. The amendments help companies provide useful accounting policy disclosures. The key amendments include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and,
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Company intends to adopt these standards in its financial statements for the annual period beginning January 1, 2023. The Company does not expect these standards to have a material impact on the financial statements.

4. Notes receivable:

		2022		2021
Note from Telmax Inc., receivable in monthly amounts of $97,250 plus interest at Bank of Canada prime rate plus 1%, due December 31, 2025	$	3,501,000	$	-
Note from Telmax Inc., interest is charged annually at Bank of Canada prime rate plus 1% and is due at maturity, due December 31, 2025		1,350,000		-
		4,851,000		-
Current portion of notes receivable		(1,167,000)		-
	$	3,684,000	$	-

5. Cash (bank indebtedness):

The Company has a $14,500,000 operating facility from a major chartered bank. The facility is a 365 day committed revolving operating loan, bearing interest at bank prime, to be repaid in full upon maturity unless extended by the bank at the bank's sole discretion. A commitment fee of 0.125% per annum, payable quarterly applies to any unused portion of the facility. As at December 31, 2022, the Company has $1,165,398 (2021 - $nil) drawn on this facility.

The Company has provided prudential support in the amount of $3,861,670 to the Independent Electricity System Operator. The prudential support is secured by a letter of credit with a major chartered bank for $3,861,670, contains restrictive clauses with respect to debt repayments, is due on demand in the event of cancellation or draw and bears interest at 0.5% per annum.

A general security agreement representing a first charge on all assets of the Company, a second charge on all assets of Tay Hydro Inc. prior to amalgamation and supported by a priorities agreement with the Township of Tay giving the bank priority over all the assets. There is also an assignment of business/liability insurance from the Company.

The Company is required to meet certain financial covenants related to the credit facility and long-term debt described in Note 13. At December 31, 2022, the Company was in compliance with all covenants.

6. Short-term investments:

	2022	2021
a) Term deposit held with TD Canada Trust at an interest rate of 0.3% per annum with a maturity date of October 5, 2023.	$ 25,999	$ 25,739
b) Term deposit held with TD Canada Trust at an interest rate of 0.4% per annum with a maturity date of January 10, 2022	-	3,100,000
c) Utility Collaborative Services Inc. (UCS), recorded using the cost method, 100 common shares, 16.7% interest	-	100
	$ 25,999	$ 3,125,839

a) This short-term investment is related to a stand-by letter of guarantee in the amount of $25,000.

b) Upon maturity this investment was renewed for a 3 month term at an interest rate of 0.48%per annum.

c) Utility Collaborative Services Inc. (UCS) provides billing, mailing, call centre and IT infrastructure services for Midland PUC customers. The Company has given formal notice of retraction of the shares in UCS on January 16, 2019 effective May 16, 2019. The notice period is 3 years or a penalty equal to the previous 3 years of service fees will be levied.

7. Property, plant and equipment:

		Land and buildings	Equipment	Transportation and fibre equipment	Office equipment	Total
Cost or deemed cost						
Balance at January 1, 2022	$	6,118,507	$ 142,732,776	$ 5,314,157	$ 4,296,707	$ 158,462,147
Additions		5,470	10,265,007	187,983	912,147	11,370,607
Disposals/ retirements		(405,030)	(515,298)	(2,090,187)	(317,841)	(3,328,356)
Balance at December 31, 2022	$	5,718,947	$ 152,482,485	$ 3,411,953	$ 4,891,013	$ 166,504,398
Balance at January 1, 2021	$	6,118,507	$ 131,029,690	$ 4,764,582	$ 3,669,696	$ 145,582,475
Additions		-	12,437,787	638,780	751,829	13,828,396
Disposals/ retirements		-	(734,701)	(89,205)	(124,818)	(948,724)
Balance at December 31, 2021	$	6,118,507	$ 142,732,776	$ 5,314,157	$ 4,296,707	$ 158,462,147
Accumulated depreciation						
Balance at January 1, 2022	$	125,354	$ 32,026,200	$ 2,288,307	$ 2,032,774	$ 36,472,635
Depreciation		31,969	4,695,678	458,452	428,499	5,614,598
Disposals		(129,412)	(200,068)	(504,236)	(310,268)	(1,143,984)
Balance at December 31, 2022	$	27,911	$ 36,521,810	$ 2,242,523	$ 2,151,005	$ 40,943,249
Balance at January 1, 2021	$	90,845	$ 27,778,225	$ 1,950,067	$ 1,848,788	$ 31,667,925
Depreciation		34,509	4,715,367	407,501	304,698	5,462,075
Disposals		-	(467,392)	(69,261)	(120,712)	(657,365)
Balance at December 31, 2021	$	125,354	$ 32,026,200	$ 2,288,307	$ 2,032,774	$ 36,472,635
Carrying amounts						
At December 31, 2022	$	5,691,036	$ 115,960,675	$ 1,169,430	$ 2,740,008	$ 125,561,149
At December 31, 2021		5,993,153	110,706,576	3,025,850	2,263,933	121,989,512

Included in distribution equipment additions is amortization expense of $300,407 (2021 - $284,177) and work in progress of $14,004,413 (2021 - $6,724,911). Included in land and building is land with a cost of $5,579,254 (2021 - $5,579,254).

8. Intangible assets:

	Cost	Accumulated amortization	2022 Net book value
Computer software	$ 2,204,306	$ 650,633	$ 1,553,673
Land rights	420,157	131,814	288,343
Licensed customer list	7,015,367	-	7,015,367
	$ 9,639,830	$ 782,447	$ 8,857,383

	Cost	Accumulated amortization	2021 Net book value
Computer software	$ 1,527,556	$ 478,463	$ 1,049,093
Land rights	420,157	117,586	302,571
Licensed customer list	7,015,367	-	7,015,367
	$ 8,963,080	$ 596,049	$ 8,367,031

During the year, the Company had additions of $859,813 (2021 - $585,395), disposals of $168,469 (2021 - $354,671) with $10,703 proceeds resulting in a loss of $817 (2021 - $1,182), and amortization of $357,941 (2021 - $147,399).

Included in intangible assets is work in progress of $341,015 (2021 - $434,548).

Based on the results of the annual licensed customer list impairment test, the Company determined that the recoverable amount of the cash generating unit is more than its carrying value. No impairment has been recorded in the period ended December 31, 2022.

9. Goodwill:

	Cost	2022 Net book value
Goodwill	$ 6,864,284	$ 6,864,284

	Cost	2021 Net book value
Goodwill	$ 6,864,284	$ 6,864,284

Goodwill, is allocated to the entire business as a cash generating unit. The goodwill at December 31, 2022 of $6,864,284 (2021 - $6,864,284) represents the cost of acquired local distribution companies in excess of fair value of the net identifiable assets purchased and is not amortized.

Based on the results of the annual goodwill impairment test, the Company determined that the recoverable amount of the cash generating unit is more than its carrying value. No impairment has been recorded in the period ended December 31, 2022.

10. Income tax expense:

	2022	2021
Current tax expense	$ 16,475	$ 10,153
Deferred tax expense:		
Change in recognized deductible temporary differences	2,529,456	1,480,084
Total current and deferred income tax in profit or loss, before movement of regulatory balance	2,545,931	1,490,237
Other comprehensive income:		
Post-employment benefits	108,438	25,975
Total current and deferred tax, before movement of regulatory balances	2,654,369	1,516,212
Net movement in regulatory balances	(783,340)	157,461
Income tax expense recognized in statement of income	$ 1,871,029	$ 1,673,673

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 26.5% (2021 - 26.5%) to the income before income taxes. The reasons for the differences and related tax effects are as follows:

	2022	2021
Income before taxes	$ 12,894,456	$ 5,398,411
Expected tax provision on income at statutory rates	$ 3,417,030	$ 1,430,579
Increase (decrease) in income taxes resulting from:		
Permanent differences	4,033	1,135
Recognized deductible temporary differences due to/from customers	(783,340)	-
Other	68,861	44,785
Non-taxable portion of capital gain	(385,609)	-
Increase (decrease) in valuation allowance	(449,946)	197,174
Income tax expense	$ 1,871,029	$ 1,673,673

10. Income tax expense (continued):

	2022	2021
Deferred tax assets:		
Non-capital loss carryforward	$ 1,884,917	$ 1,089,867
Post-employment benefits	315,068	398,122
Unrealized gain on interest rate swap	-	528,717
Other	42,547	119,629
	$ 2,242,532	$ 2,136,335

	2022	2021
Deferred tax liabilities:		
Property, plant and equipment	$ 821,429	$ 229,328
Unrealized gain on interest rate swap	1,034,345	-
Regulatory assets	2,204,444	1,086,798
	$ 4,060,218	$ 1,316,126

11. Regulatory account balances:

All amounts deferred as regulatory deferral account balances are subject to approval by the OEB. As such, amounts subject to deferral could be altered by the regulators. Remaining recovery periods are those expected and the actual recovery or settlement periods could differ based on OEB approval. Due to previous, existing or expected future regulatory articles or decisions, the Company has the following amounts expected to be recovered or repaid in future periods which are comprised of the following:

Regulatory deferral account debit balances	January 1, 2022	Balances arising in the period	Recovery/ reversal	December 31, 2022
RSVA (i)(a)	$ 2,243,184	$ 3,777,598	$ 44,373	$ 6,065,155
Other regulatory assets (ii)(A)	2,523,511	516,907	(1,138,366)	1,902,052
Deferred income tax	-	783,340	-	783,340
Recovery account (iv)(A)	(665,569)	(119,086)	1,136,104	351,449
	$ 4,101,126	$ 4,958,759	$ 42,111	$ 9,101,996

Regulatory deferral account debit balances	January 1, 2021	Balances arising in the period	Recovery/ reversal	December 31, 2021
RSVA (i)(a)	$ (251,689)	$ 2,215,209	$ 279,664	$ 2,243,184
Other regulatory assets (ii)(A)	2,514,247	359,601	(350,337)	2,523,511
Regulatory deferred tax asset (iii)(A)	972,416	(972,416)	-	-
	$ 3,234,974	$ 1,602,394	$ (70,673)	$ 4,766,695

11. Regulatory account balances (continued):

Regulatory deferral account credit balances	January 1, 2021	Balances arising in the period	Recovery/ reversal	December 31, 2021
Recovery account (iv)(A)	$ 202,494	$ 2,645,714	$ (2,182,639)	$ 665,569
IFRS conversion	2,111,966	-	(2,111,966)	-
Deferred tax credit balance (iii)(A)	814,955	(814,955)	-	-
	$ 3,129,415	$ 1,830,759	$ (4,294,605)	$ 665,569

(A) These amounts are expected to reverse when the Company submits their next cost of service filing.

(i) Retail Settlement Variance Account ("RSVA") variances represent the difference between the amounts charged by the Company to its customers, and the amounts paid by the Company to the Independent Electricity System Operator (“IESO”) and Hydro One for the cost of energy. The settlement variances include Smart Metering Entity Charge, network and connection service charges, energy sales and the global adjustment. The balance for settlement variances and carrying charges are calculated and recorded on a monthly basis.

(ii) Other Deferral Accounts include debit and credit balances in other regulatory assets, including Lost Revenue Adjustment Mechanism variances, Retail Cost variances, payments in lieu of taxes and Smart Meter expenditures. The costs incurred in these deferral accounts have been captured for future recovery or settlement. Carrying charges are recorded monthly on the opening balances.

(iii) Deferred tax on the regulatory balances that will ultimately be recovered from/paid back to its customers.

(iv) Recovery Accounts are used to record the disposition of deferral and variance account balances that have been approved by the OEB. The variances are to be recovered or settled when the Company submits its next Cost of Service filing.

12. Accounts payable and accrued liabilities:

	2022	2021
Accounts payable - purchased power	$ 6,275,933	$ 8,705,281
Other trade accounts payable and accrued liabilities	5,702,219	4,545,979
Water and sewer billings payable (note 20)	6,833,342	6,821,371
Credits on customer accounts	1,462,084	1,205,826
Conservation demand management programs	417,459	438,532
HST payable	147,141	175,327
	$ 20,838,178	$ 21,892,316

13. Long-term debt:

	2022	2021
(a) Bank loan payable, 4.077% fixed rate, payable in blended monthly payments of $49,003	$ 9,404,763	$ 9,605,337
(b) Bank loan payable, 4.059% fixed rate, payable in blended monthly payments of $41,064	6,955,562	7,163,852
(c) Bank loan payable, 3.922% fixed rate, payable in blended monthly payments of $32,374	3,434,915	3,684,557
(d) Bank loan payable, 1.772% fixed rate, interest only monthly payments of $8,522	5,771,150	5,771,150
(e) Bank loan payable, 2.191% fixed rate, interest only monthly payments of $12,087	6,619,900	6,619,900
(f) Bank loan payable, 3.149% fixed rate, interest only monthly payments of $57,732	22,000,000	-
(g) Canadian Emergency Business Account ("CEBA") loan	40,000	40,000
	54,226,290	32,884,796
Less current portion of long-term debt	665,066	659,406
	$ 53,561,224	$ 32,225,390

(a) The bank loan payable is a 30 year term loan due October 9, 2048 with a payment due at maturity of $48,949. There is an early termination option with an exercise date of October 9, 2023 subject to adjustment in accordance with the Modified Following Business Day Convention.

13. Long-term debt (continued):

(b) The bank loan payable is a 10 year term loan due October 10, 2028 with a payment due at maturity of $5,579,359. There is an early termination option with an exercise date of October 9, 2023 subject to adjustment in accordance with the Modified Following Business Day Convention.

(c) The bank loan payable is a 15 year term loan due October 11, 2033 with a payment due at maturity of $32,374. There is an early termination option with an exercise date of October 9, 2023 subject to adjustment in accordance with the Modified Following Business Day Convention.

(d) The bank loan payable is a 5 year interest payment only loan due January 12, 2026 with a payment due at maturity of $5,771,150.

(e) The bank loan payable is a 5 year interest payment only loan due September 10, 2026 with a payment due at maturity of $6,619,900.

(f) The bank loan is a 10 year interest payment only loan due February 3, 2032, with a payment due at maturity of $22,000,000.

(g) The Canada Emergency Business Account ("CEBA") loan in the amount of $40,000 represents the unforgivable balance of the $60,000 interest-free loan received under the Government of Canada COVID response programs. 33% of the loan will be eligible for loan forgiveness, up to $20,000, if the loan is fully repaid on or before December 31, 2023. The $20,000 forgiven portion has been included in other income in the year it was received and represents the maximum forgivable portion of the loan. If the unforgiven balance of the loan is not fully repaid by December 31, 2023 the remaining principal balance will be repayable and will bear interest at a rate of 5% per annum beginning on January 1, 2024. The loan is due in full December 31, 2025.

Principal repayments for the next five years and thereafter are as follows:

2023	$ 665,066
2024	694,576
2025	765,394
2026	13,148,630
2027	791,193
Thereafter	38,161,431
	$ 54,226,290

14. Unrealized loss interest rate swaps:

To reduce exposure to interest rate fluctuations, the Company has six (2021 - five) interest rate swaps where they pay a fixed interest rate over the term of the loan. As at December 31, 2022, the unrealized mark-to-market gain related to the swap agreement is $3,903,189 (2021 - loss $1,995,157). The current year unrealized gain was $5,898,345 (2021 - gain $1,766,967).

15. Subordinated debt:

	2022	2021
Note payable, 5.48% - Town of Newmarket	$ -	$ 22,000,000
Note payable, 5.48% - Township of Tay	1,742,821	1,742,821
	1,742,821	23,742,821
Less current portion of subordinated debt	-	(22,000,000)
	$ 1,742,821	$ 1,742,821

During the year, the debt with the Town of Newmarket was repaid. The Company entered into a interest payment only loan to fund this repayment, as described in Note 13.

No repayment of the Township of Tay subordinated debt is permissible until all payment obligations of the long-term debt are fulfilled, or the bank waives the subordination requirement.

16. Leases:

The Company has leases for two office buildings, a lease in place for electrical substations and a lease in place for fibre optic cable. Each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

Estimates on lease terms and lease extensions on lease contracts were measured based on circumstances at date of initial application. Lease payments are fixed, with leases of office buildings generally limited to a lease term of 5 to 10 years and leases of substations having a lease term of 5 years.

The right-of-use asset and lease liability related to 590 Steven Court was modified on March 3, 2021 requiring a revaluation of $1,356,040 based on the circumstances at date of modification.

When measuring the lease liabilities, the Company determined the appropriate rate to discount lease payments as the long term debt rate from their most recent OEB board approved cost of service rate application or the incremental borrowing rate from their most recent banking agreement.

Right-of-use assets

Additional information on right-of-use assets by class is as follows:

December 31, 2022	Cost	Accumulated amortization	Net book value
Office buildings	$ 3,324,245	$ 1,363,698	$ 1,960,547
Electrical substations	214,405	168,462	45,943
	$ 3,538,650	$ 1,532,160	$ 2,006,490

December 31, 2021	Cost	Accumulated amortization	Net book value
Office buildings	$ 3,324,245	$ 987,575	$ 2,336,670
Electrical substations	253,359	134,203	119,156
Fibre cable	438,893	109,343	329,550
	$ 4,016,497	$ 1,231,121	$ 2,785,376

During the year, the Company had additions of $nil (2021 - $1,356,040) and amortization of $422,068 (2021 - $422,068). During fiscal 2022, the right-of-use assets were sold by NT Holdings Inc. as more fully described in Note 28.

16. Leases (continued):

Lease liabilities:

Lease liabilities are presented in the financial statements as follows:

December 31, 2022	Opening liability	Additions	Repayments	Carrying amount	Interest
Office buildings	$ 2,448,322	$ -	$ (323,300)	$ 2,125,022	$ 117,401
Electrical substations	109,634	-	(76,703)	32,931	3,277
Fibre cable	346,265	-	(346,265)	-	11,499
	$ 2,904,221	$ -	$ (746,268)	$ 2,157,953	$ 132,177

December 31, 2021	Opening liability	Additions	Repayments	Carrying amount	Interest
Office buildings	$ 1,390,137	$ 1,356,040	$ (297,855)	$ 2,448,322	$ 132,862
Electrical substations	159,426	-	(49,792)	109,634	5,187
Fibre cable	376,769	-	(30,504)	346,265	10,173
	$ 1,926,332	$ 1,356,040	$ (378,151)	$ 2,904,221	$ 148,222

The current portion of lease liabilities as at December 31, 2022 is $383,394 (2021 - $362,010). During fiscal 2022, the lease liabilities associated with NT Holdings Inc.'s right-of-use assets were fully repaid as more fully described in Note 28.

17. Contributed capital:

	2022	2021
Deferred contributions, net, beginning of year	$ 38,441,617	$ 37,887,603
Contributed capital received	2,442,338	1,563,779
Contributed capital recognized as revenue (note 23)	(1,019,433)	(1,009,765)
Deferred contributions, net, end of year	$ 39,864,522	$ 38,441,617

Included in contributed capital is work in process amounts of $6,316,127 (2021 - $4,000,500).

18. Deposits held:

Deposits held represent cash deposits from electricity distribution customers and retailers, as well as construction deposits.

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

Construction deposits represent cash payments from developers in order to secure the performance of the developer's obligations under the Construction Agreement for Expansion Facilities and Connection Assets Supplied by Developer - Residential Subdivision (The Construction Agreement).

	2022	2021
Current portion of customer deposits	$ -	$ 448,564
Current portion of construction deposits	103,519	240,022
	$ 103,519	$ 688,586

	2022	2021
Long-term portion of customer deposits	$ 2,287,907	$ 2,284,182
Long-term portion of construction deposits	175,047	171,689
	$ 2,462,954	$ 2,455,871

19. Employee future benefits:

The Company provides certain health, dental and life insurance benefits for retired employees pursuant to the Company's policy. The accrued benefit obligation and net periodic expense for the year were determined by an actuarial valuation. The last full valuation performed was as at December 31, 2022.

Information about the Company's defined benefit plan is as follows:

	2022	2021
Accrued benefit obligation, beginning of year	$ 1,600,364	$ 1,697,623
Current service cost	63,371	66,341
Interest expense	46,300	42,730
Benefits paid	(111,900)	(108,312)
Actuarial gain	(409,200)	(98,018)
	$ 1,188,935	$ 1,600,364

Current service costs and interest on accrued benefit obligation are recognized in the statement of income. Actuarial losses arising from changes in financial assumptions are accounted for in other comprehensive income. The total benefit costs for the year is $299,500 (2021 - $11,053).

The actuarial assumptions used in the valuation of the Company's staff are a discount rate of 5.05% (2021 - 3.0%), salary increase rate of 2.5% (2021 - 2.8%), cost trend including health benefits of 4.9% (2021 - 4.4%) and dental benefits 5.1% (2021 - 4.7%) and retirement age of 61 (2021 - 61).

The impact of a change in the actuarial assumptions would have the following impact on the obligation:

	Reasonable possible change	Defined benefit obligation change
Discount rate	1 %	$ (122,300)
Discount rate	(1)%	150,000
Cost trends	1 %	45,900
Cost trends	(1)%	(41,700)

20. Due to related party and related party transactions:

(a) The Company entered into transactions with the Town of Newmarket which is the sole shareholder of Newmarket Hydro Holdings Inc. The Company also entered into transactions with Tay Hydro Inc. who is related through common ownership.

Included in accounts payable and accrued liabilities are water and sewer amounts collected which are due to the Town of Newmarket.

Included in subordinate debt are notes payable to related parties.

(b) Transactions

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2022	2021
Revenue:		
Energy sales	$ 2,548,938	$ 2,220,733
Water and sewer	508,200	-
	$ 3,057,138	$ 2,220,733

Expenses:		
Interest	$ 204,506	$ 1,301,107
Rent	345,948	335,965
Property tax and storm water	185,824	151,879
Water and sewer	439,320	-
	$ 1,175,598	$ 1,788,951

20. Due to related party and related party transactions (continued):

(c) The following amounts are due from and included in the financial statements:

	2022	2021
Accounts receivable:		
Town of Newmarket	$ 748,199	$ 201,213
Township of Tay	32,879	-
	$ 781,078	$ 201,213

(d) The following amount is due to and included in the financial statements:

	2022	2021
Tay Hydro Inc.	$ 40,896	$ 40,896

The key management personnel of the Company has been defined as members of its board of directors, executives, and other management personnel. Total wages and benefits to these individuals total $3,591,899 (2021 - $3,082,565).

21. Share capital:

	2022	2021
Authorized:		
Unlimited number of common shares		
Issued:		
10,000 common shares	$ 29,609,342	$ 29,609,342

22. Investments:

Investment in Ecobility Inc.

	2022	2021
Investment in Ecobility Inc.	$ 153,332	$ 252,474

Ecobility Inc. provides program design and management, incentive application management and consulting services for commercial and residential energy efficiency programs. One class A common share and 33,883 class B special shares of Ecobility Inc. are owned by the company, resulting in a 20% ownership. A bare trust agreement has been signed between the company and Tay Hydro Inc. giving Tay Hydro Inc. the right to 7% of the investment, and its return. The investment in Ecobility Inc. is accounted for using the equity method. During the year, dividends of $nil (2021 - $nil) were received and the Company's proportionate share of the income (loss) of Ecobility Inc. was ($99,142) (2021 - $106,346).

23. Other income:

Other income consists of the following:

	2022	2021
Account set up fees	$ 146,448	$ 134,504
Pole rental charges	161,290	206,456
Collection charges	-	4,044
Non rate-regulated utility operations, net	221,819	(89,568)
Recognition of contributed capital (note 17)	1,019,433	1,009,765
Other	77,508	155,133
Water and sewer	68,780	-
Reconnection	8,035	-
CDM	(4,018)	-
Income (loss) from Ecobility Inc.	(99,142)	106,346
	$ 1,600,153	$ 1,526,680

24. Finance income and finance costs:

	2022	2021
Finance income:		
Interest income on accounts receivable	$ 294,542	$ 252,073
Income on cash balance	111,787	21,764
Interest income on regulatory balances	203,693	9,844
	$ 610,022	$ 283,681

	2022	2021
Finance cost:		
Interest on long-term debt	$ 1,864,086	$ 2,301,436
Finance cost:		
Interest on bank loan	134,450	60,936
Interest expense on lease liability	132,177	148,222
Customer deposit interest	11,565	12,483
Interest expense on regulatory balances	55,306	-
	$ 2,197,584	$ 2,523,077

25. Changes in non-cash operating working capital:

	2022	2021
Accounts receivable	$ 579,779	$ 3,782,487
Inventories	(634,517)	9,354
Prepaid expenses	(26,829)	162,142
Unbilled revenue	(1,213,659)	2,576,675
Accounts payable and accrued liabilities	(1,054,140)	(428,554)
Deposits held	(577,984)	(381,303)
Income tax paid	12,580	(59,975)
Interest received	610,022	283,681
Income tax refunded	-	840,189
Advances (to) from related parties	-	16,508
	$ (2,304,748)	$ 6,801,204

26. Bank loan:

	2022	2021
Interim construction facility loan	$ -	$ 3,050,000

The Company has an interim construction facility loan with total credit available of $3,500,000. The loan is payable on demand with interest only monthly payments bearing a rate of prime plus 0.25% per annum. The loan will be fully repaid within five years of the initial draw down using
proceeds of a committed reducing term facility loan.

A general security agreement covering all assets of the Company and assignment of business/liability insurance has been pledged as security for the interim construction facility.

The Company has provided a letter of credit in the amount $25,000 (note 6).

During the year, the entire balance of the bank loan was repaid.

27. Operating expenses:

Operating expenses consist of the following:

	2022	2021
Wages and benefits	$ 6,540,456	$ 5,663,690
Materials, equipment and other operating expenses	3,112,085	2,723,140
Administration and overhead	5,417,579	5,087,251
	$ 15,070,120	$ 13,474,081

28. Discontinued operations:

In October 2022, the Company entered into an agreement of purchase and sale for NT Holdings Inc.'s property, plant and equipment, intangible assets, and customer contracts representing the business of NT Holdings Inc. The sale of these assets was completed on December 1, 2022 and terms included the Company receiving vendor take-back notes (note 4) and certain credits for future services.

Included the consolidated statement of income are the following discontinued operation results:

	2022	2021
Revenue	$ 920,468	$ 780,110
Indirect costs	(419,295)	(374,357)
Wages and benefits	(410,576)	(354,761)
Materials, equipment and other operating expenses	(228,947)	(169,442)
Administration and overhead	(341,725)	(212,355)
Finance income	8,551	83
Finance cost	(147,086)	(72,473)
Gain on sale of business	3,487,970	-
Other income	1,570	-
Amortization of capital assets	(197,381)	(203,539)
Government grants	-	10,838
Income (loss) from discontinued operations	2,673,549	(595,896)
Future income tax expense (reduction)	(122,554)	23,293
Income (loss) from discontinued operations	$ 2,796,103	$ (619,189)

29. Non-controlling interests:

The changes in non-controlling interest consist of:

	2022	2021
Non controlling interest, beginning of year	$ 3,330,309	$ 3,180,956
Income	743,381	245,310
Dividends paid	(112,000)	(101,000)
Other comprehensive income	28,644	5,043
Non-controlling interest, end of year	$ 3,990,334	$ 3,330,309

30. Pension agreement:

The Company makes contributions to the OMERS, which is a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of retirement benefits to be received by the employees based on the length of service and rates of pay.

The most recently available OMERS annual report is for the year ended December 31, 2022, which reported that the plan was 95% funded, with an unfunded liability of $6.7 billion. This unfunded liability is likely to result in future payments by participating employers and members.

The amount the Company contributed to OMERS for the year was $858,093 (2021 - $703,651).

31. Capital disclosure:

The Company’s primary objective when managing capital is to address the expectations as provided in the Shareholder Agreement between the Company, and its shareholder, the Town of Newmarket. The expectation is that the Company will maintain a prudent financial structure in order to safeguard the Company's assets and to provide adequate returns for its shareholders and benefits to the stakeholders.

32. Financial instruments:

Financial instruments consist of recorded amounts of cash, accounts receivable and unbilled revenue which will result in future cash receipts, as well as accounts payable and accrued liabilities, deposits held, advances from parent company and long-term debt which will result in future cash outflows.

The Company does not believe that it is exposed to significant foreign exchange risk or market risk.

32. Financial instruments (continued):

The Company is exposed to the following risks in respect of certain financial instruments held:

(a) Fair value:

The fair value of financial instruments is the amount of consideration that would be agreed upon in an arms' length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, unbilled revenue, accounts payable and accrued liabilities, operating loan and customer deposits, approximate their carrying values due to the relatively short-term nature of the instruments and/or floating interest rates on the instruments.

Financial instruments which are disclosed at fair value are to be classified using a three level hierarchy. Each level reflects the inputs used to measure the fair values disclosed of the financial liabilities, and are as follows:

i. Level 1: Inputs are unadjusted quoted prices of identical instruments in active markets;
ii. Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
iii. Level 3: Inputs for the liabilities that are not based on observable market data (unobservable inputs).

The estimated fair values of long-term debt using level 2 inputs approximate carrying values due to the fact that effective interest rates are not significantly different from market rates.

The Company has entered into a interest rate swap agreement for a portion of its bank loans payable. As at December 31, 2022 the fair market value of the swap has been recognized as an asset (2021 - a liability) in the statement of financial position.

(b) Credit risk:

Financial assets carry credit risk that a counter-party will fail to discharge an obligation which would result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. The Company earns its revenue from a broad base of customers located in the service area. No single customer accounts for revenue in excess of 10% of total revenue.

32. Financial instruments (continued):

(b) Credit risk (continued):

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment of $2,041,470 (2021 - $1,375,089) and the amount of related impairment loss is recognized in the statement of income. Subsequent recoveries of receivables previously provisioned are credited to the income statement. The Company's credit risk associated with accounts receivable is primarily related to payments from distribution customers. The Company has approximately 52,000 customers, the majority of which 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, 2022, the Company holds security deposits in the amount of $2,566,473 (2021 - $3,144,457). The Company's activities provide for a variety of financial risks, particularly credit risk, market risk and liquidity risk.

(c) Liquidity risk:

The Company does have a liquidity risk in accounts payable and accrued liabilities of $20,838,178 (2021 - $21,892,316). Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, maintains an adequate line of credit to repay trade creditors and repays long-term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Company is low.

The following are contractual maturities of financial liabilities payments:

	Between 0-3 months	Between 4-12 months	Over 1 year
Accounts payable and accrued liabilities	$ 20,838,178	$ -	$ -
Deposits held	-	103,519	2,462,954
Long-term debt	163,569	501,497	53,561,224
Leases	98,219	285,175	1,774,559
Employee future benefits	-	-	1,188,935
Subordinated debt	-	-	1,742,821
	$ 21,099,966	$ 890,191	$ 60,730,493

33. Contingencies:

(a) In the normal course of business, the Company enters into agreements that meet the definition of a guarantee. The guarantees include indemnities under purchase and sale agreements, confidentiality agreements, outsourcing, service and information agreements. The nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability related to the likelihood and predictability of future events. Historically, the Company has not made any significant payments under similar indemnification agreements and therefore no amount has been accrued in the statement of financial position with respect to these agreements.

(b) Indemnity has been provided to all directors and/or officers of the Company for various items including, but not limited to, all costs to settle suits or actions due to association with the Company, subject to certain restrictions. The Company has purchased directors' and officers' liability insurance to mitigate the cost of any potential suits or actions. The amount of any potential future liability which exceeds the amount of insurance coverage cannot reasonably be determined.

(c) The Company participates with other municipal utilities in Ontario in an agreement to exchange reciprocal contracts of indemnity through the Municipal Electric Association Reciprocal Insurance Exchange. Under this agreement, the Company is contingently liable for additional assessments to the extent that premiums collected are not sufficient to cover actual losses, claims and costs experienced.

34. Comparative information

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

RESOLUTIONS OF THE SOLE SHAREHOLDER OF NEWMARKET HYDRO HOLDINGS INC.

WHEREAS the Corporation of the Town of Newmarket (the “Sole Shareholder”) is the sole shareholder of Newmarket Hydro Holdings Inc. (the “Corporation”;)

AND WHEREAS the Sole Shareholder by a Shareholder Declaration dated November 1, 2000 appointed the Mayor as its legal representative for the purpose of communicating any shareholder consent or approval required by either the terms of the Shareholder Declaration or the *Business Corporations Act* (Ontario) (the “*OBCA*”);

AND WHEREAS the Corporation owns a majority of the common shares of Newmarket-Tay Power Distribution Ltd. (“NT Power”) and NT Holdings Inc. (“NT Holdings”); and pursuant to s.102(2) of the *OBCA* where a body corporate is the shareholder of a corporation the corporation shall recognize any individual properly authorized by the body corporate to represent it at meetings of shareholders of the corporation;

AND WHEREAS pursuant to s.104 of the *OBCA* a written resolution dealing with all the matters required to be dealt with at a shareholders meeting and signed by the shareholders entitled to vote at that meeting satisfies all requirements of the *OBCA* relating to that meeting of shareholders;

NOW THEREFORE BE IT RESOLVED by the Municipal Council of the Corporation of the Town of Newmarket as follows:

1. THAT the Mayor, as the Sole Shareholder’s legal representative, is directed to sign the following Corporation Shareholder resolutions:

a. THAT the Corporation’s financial statements for the financial year ended December 31, 2022 together with the report of the Corporation’s auditors, KPMG (“KPMG”), Chartered Accountants, thereon dated June 6, 2023 be approved and adopted; and

b. THAT KPMG, Chartered Accountants, be appointed auditors of the Corporation to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the sole director and the sole director is authorized to fix such remuneration; and

c. THAT Ian McDougall, be appointed as the sole director of the Corporation to hold office until the next annual meeting of shareholders or until his successor is elected or appointed; and

d. THAT Ian McDougall, so long as he is the sole director of the Corporation, shall represent the Corporation at meetings of shareholders of NT Power and NT Holdings; and

e. AND THAT all acts, contracts, bylaws, proceedings, appointments elections and payments, enacted, made, done and taken by the sole director and sole officer of the Corporation to December 31, 2022, as the same are set out or referred to in the resolutions of the sole director, or in the financial statements of the corporation, are approved, sanctioned and confirmed.

2. AND THAT the Mayor, as the Sole Shareholder's legal representative, direct Ian McDougall, the sole director and legal representative of the Corporation, to sign the following NT Power shareholder resolutions in lieu of an annual meeting:

a. THAT the financial statements of NT Power for the financial year ended December 31, 2022 together with the report of NT Power's auditors, KPMG, thereon dated May 1, 2023 be approved and adopted.

b. THAT KPMG, Chartered Accountants, be appointed auditors of NT Power to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the directors and the directors are authorized to fix such remuneration.

c. THAT J. Taylor, T. Walker, D. Charleson, B. Gabel, C. Prattas, D. Priore, and D. Wattling are elected directors of NT Power to hold office until the next annual meeting of shareholders or until their successors are elected or appointed.

d. AND THAT all acts, contracts, bylaws, proceedings, appointments elections and payments, enacted, made, done and taken by the directors and officers of NT Power to December 31, 2022, as the same are set out or referred to in the resolutions of the board of directors, the minutes of the meetings of the board of directors or in the financial statements of NT Power, are approved, sanctioned and confirmed.

3. AND THAT the Mayor, as the Sole Shareholder's legal representative, direct Ian McDougall, the sole director and legal representative of the Corporation, to sign the following NT Holdings shareholder resolutions in lieu of an annual meeting:

a. THAT the financial statements of NT Holdings for the financial year ended December 31, 2022 together with the report of NT Holdings' auditors, KPMG, thereon dated May 5, 2023 be approved and adopted; and

b. THAT KPMG, Chartered Accountants, be appointed auditors of NT Holdings to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the directors and the directors are authorized to fix such remuneration; and

c. THAT I. McDougall and Y. Semsedini are elected directors of NT Holdings to hold office until the next annual meeting of shareholders or until their successors are elected or appointed; and

d. AND THAT all acts, contracts, bylaws, proceedings, appointments elections and payments, enacted, made, done and taken by the directors and officers of NT Holdings to December 31, 2022, as the same are set out or referred to in the resolutions of the board of directors, the minutes of the meetings of the board of directors or in the financial statements of NT Holdings, are approved, sanctioned and confirmed.

Dated as of the 19th day of June, 2023.

CORPORATION OF THE TOWN OF NEWMARKET

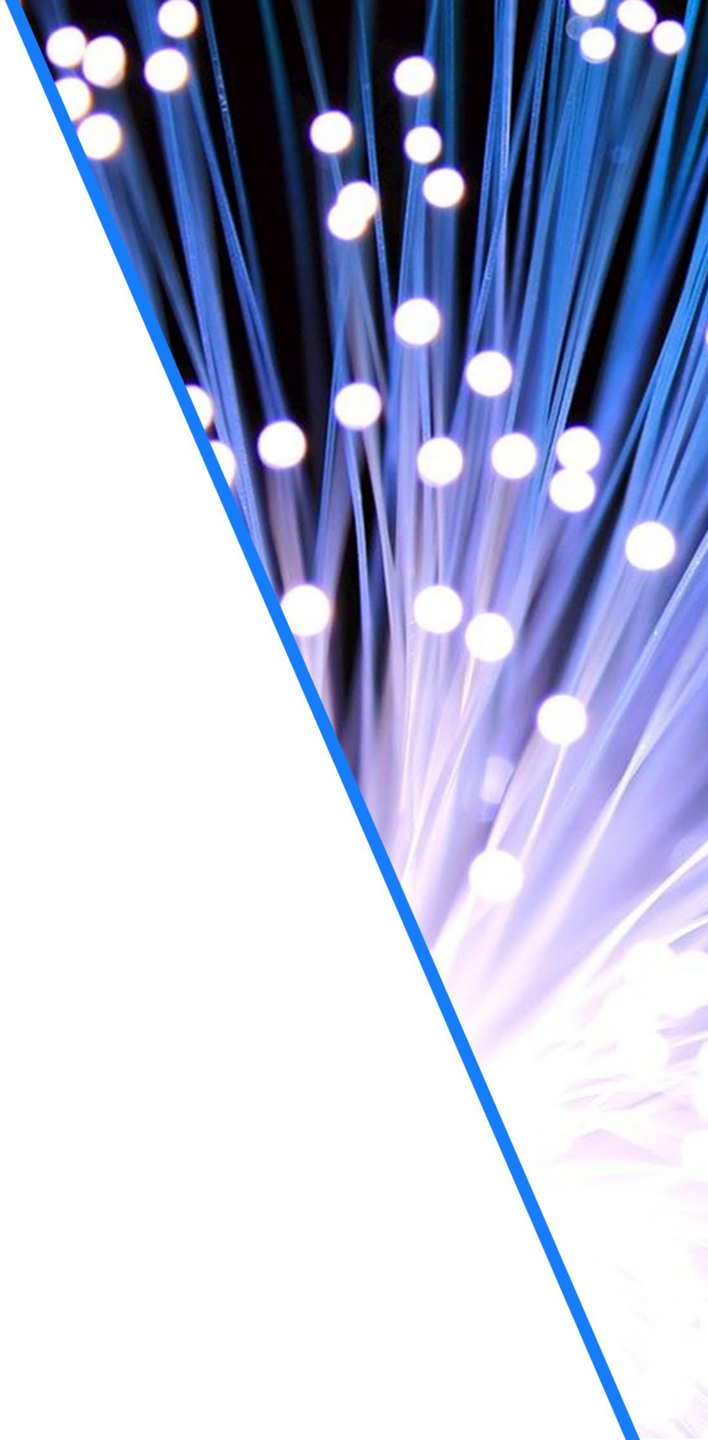
____

John Taylor, Mayor

Annual General Meeting

NEWMARKET HYDRO HOLDINGS INC.

NEWMARKET Hydro



Required Motions

- Approval of Financial Statements
- Approval of Auditors
- Approval of Directors
- Approval of Past Acts

2022 Year in Review

- Financial Performance
- Billing System Transition
- Reliability

Financial Performance

- Strong Financial Performance with an adjusted Net Income of $3.8MM
- Controllable Capital Spend of $7.9MM in 2022
- Repayment of Newmarket Shareholder Debt was completed in 2022
- Employee Count Increase to 80 from less than 60 Pre Covid (IT, Eng/Ops, HR)

Billing System Transition

- Transitioned billing system/provider for Electric & Water billing
- Aiding the Town in the transition to AMR Water Meters
- Completed customer portal upgrades and became one of the first utilities to Green Button certify
- Redesigned bill print

Reliability

- Increased outages in 2022
  - SAIDI 1.561
  - SAIFI 0.716

- Accelerated Capital Spending to aid in reliability

- Enhanced Customer Communication

Looking Ahead

- Investment in Capital Programs
- Distribution System Plan
- Enhanced Customer Experience
    - Reliability
    - Communications
    - Online services
- Major Developments (Metrolinx and York Region)

- Strategic Plan Finalization and Rebrand

2022 Year in Review

- Sold Assets in Q4 of 2022
- Renamed to NT Holding Inc in Q4 of 2022
- NT Holdings will continue Resale services to Town of Newmarket and NT Power

Questions