

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025 (in thousands of dollars)

During 2025, the City contributed \$51,627 (2024 - \$34,472) in tangible capital assets to EPCOR and recorded \$4,745 (2024 - \$3,885) of amortization. The difference between the City's investment in EPCOR and EPCOR's shareholder's equity represents the accumulated tangible capital assets contributed to EPCOR from the City less the related amortization as follows:

	2025	2024
EPCOR's shareholder's equity	\$ 5,102,325	\$ 4,844,799
Accumulated contributed tangible capital assets to EPCOR	394,985	343,358
Accumulated amortization over useful life	(20,810)	(16,065)
Investment in EPCOR	\$ 5,476,500	\$ 5,172,092

The difference of \$374,175 (2024 - \$327,293), representing the accumulated tangible capital assets contributed to EPCOR from the City and the related amortization, will be amortized over the useful life of the assets contributed.

Principal payments on EPCOR's long-term debt for the next five years and thereafter and deferred financing charges are as follows:

2026	\$ 33,992
2027	33,090
2028	32,887
2029	182,783
2030	282,148
Thereafter	4,578,484
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	\$ 5,143,384

EPCOR has issued letters of credit for \$31,525 (2024 - \$92,981) to meet the credit agreements of electricity market participants, as conditions of certain agreements or to satisfy legislated reclamation requirements.

The following summarizes EPCOR's related party transactions with the City for the year:

	2025	2024
Dividend paid to the City	\$ 201,000	\$ 193,000
Franchise fees paid to the City	145,110	129,908
Financing expenses paid or payable to the City	14,629	15,881
Sales of administrative and construction services from the City	4,500	5,292
Property taxes and other taxes paid to the City	35,208	31,026
Costs of capital construction paid or payable to the City	60,572	65,751
Power and water purchased by the City	5,058	4,133
Other services purchased by the City	24,657	27,293

All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates or as agreed to by the parties.