Oshawa

PUC Networks Inc.

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December 15, 2007

Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor 2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Oshawa PUC Networks Inc. (ED 2002-0560)
Board File Number EB-2007-0710

Please find attached Oshawa PUC Networks Inc.'s response to the Interrogatories posed by Board staff in the above noted proceeding. OPUCN is forwarding two (2) paper copies of this report by courier.

Please allow me to comment that we are pleased to be able to submit all our interrogatory responses to both OEB Staff and other Interveners before the established deadline of today. There have been some challenges, especially with respect to the very late approval for intervener status, as well as the overdue filing of their Interrogatory questions by AMPCO.

With respect to the matter of regulatory filing costs that had been applied for in the original 2008 Rate Application, OPUCN would respectfully request the Board's consideration for changing the distribution revenue requirement to include unexpected increases in these costs. Although OPUCN has been prudent in allowing for regulatory filing expenditures so as not overly burden our customers in rates, we need to seek changes to our rate application in order for provide sufficient recovery.

Yours truly,

Michael Chase
Corporate Controller

Board Staff Interrogatories
Oshawa PUC Networks Inc. - EB-2007-0710
2008 Electricity Distribution Rates Application
Oshawa PUC Networks Inc. Responses

RATE BASE

1. *Reference: Exhibit 1 tab 2 Schedule 1 Page 3*

"Capital expenditures since that time (2004) are not reflected in OPUCN's rate base …."

a. *What does this statement imply for the current application?*

OPUCN's rate base was last adjusted during the 2004 rate application process. The 2006 rate application used a value for capital expenditures which was based on capital expenditures from 2004. Capital expenditures at that time were based on a City of Oshawa growth rate which increased dramatically in 2004 through 2006 and especially in 2006. This growth rate, in turn, drove the need for large capital investments in the latter part of 2004, 2005, and 2006 which are reflected in the 2006 Actual figures. Investments during this time have not been included in rate base and so have not realized a return. The proposed 2008 rate application is intended to correct this matter and bring an appropriate return on investment to previous investments as well as those forecast for the 2007 Bridge and 2008 Test years.

b. *Please confirm that all capital expenditures are reflected in the tables for 2006, 2007 and 2008 in the application on which the Board would base its decision.*

All capital expenditures for 2006, 2007, and 2008 are included in the tables which accompany the rate application.

2. *Reference: Exhibit 2 Tab 2 Schedule 3 Page 1-7*

Regarding the Variance Analysis of Gross Assets for 2006, 2007 and 2008, please

a. *Explain the statement that "… variance in this account can be explained by the use of averaging in the calculation of the … amount" which appears in the explanation for 2006 approved compared to 2006 actual, account 1820.*

The 2006 Approved figures were based on 2004 Gross Asset financial results with the addition of approved tier one adjustments. When the 2006 Actual figures were obtained, they also reflected capital expenditures in 2005 and 2006, expenditures which were not considered when the 2006 Approved figures were calculated. This two year period should be considered when reviewing the differences in Gross Assets between 2006 Approved and 2006 Actual.

b. *Provide the figures on customer numbers and classes and loads in the explanation for variances for:*

OPUCN		**Historical Actual - Retail**	**Historical Actual - Retail**	**Historical Actual - Retail**
Year		**2004**	**2005**	**2006**
Customer Class				
	#	44,280	44,917	45,961
RESIDENTIAL	kWh	448,166,680	486,017,826	466,443,961
GENERAL SERVICE				
Less than 50 kW	#	3,576	3,742	3,733
	kWh	130,771,902	136,707,568	134,155,770
Other > 50 kw > 1000 kw	#	515	528	522
	kWh	360,631,980	362,064,784	357,086,593
	kW	895,054	881,655	893,941
Intermediate Use (1000 - 5000 kW)	#	7	8	9
	kWh	65,676,068	70,098,769	80,518,764

	kW	182,908	174,430	171,299
Large Use (> 5000 kW)	#	2	2	2
	kWh	80,888,648	62,906,838	59,654,446
	kW	208,230	154,704	141,375
Unmetered Scattered Load	#	295	295	301
	kWh	2,166,588	2,154,487	2,205,188
Sentinel Lighting	#	77	77	77
	kWh	38,906	39,118	40,719
	kW	135	134	139
Street Lighting	#	10,076	10,547	10,961
	kWh	8,704,191	9,143,960	9,357,806
	kW	23,450	23,845	24,663
TOTALS	**#**	**58,828**	**60,116**	**61,566**
	kWh	**1,097,044,963**	**1,129,133,350**	**1,109,463,247**
	kW	**1,309,777**	**1,234,768**	**1,231,417**

I. *account 1820 Distribution Station Equipment*

The bulk of capital expenditure in this account is for the purchase of a transformer ($760,000) to be used in a new transformer station. The transformer was requested during the EDR 2006 rate application process and had been approved for inclusion in the 2006 Approved expenditures until Board staff received last minute advice that it could not be included as a tier one adjustment. One of the requirements for such inclusion is that transformers must have a capacity above 50 kW and this one does not. The expenditure was still necessary, however, and its purchase is reflected in 2006 Actual figures.

II. *account 1845 Underground Conductors and Devices*

Growth in Oshawa has been constant and significant as developers have discovered the low land prices as compared to the rest of the GTA. Growth in the number of residential customers has averaged 750 new customers per year for the period of 2002 through 2006. As can be observed from the table above, growth during 2005 and 2006 exceeded this average. This grow has been and continues to be almost exclusively in the northern parts of the OPUCN service

territory. This area has traditionally been rural in nature and does not have existing load and service capability to support the significant growth which has been occurring as agricultural land is sold for development purposes. Costs associated with this growth are reflected in this account. One of the main drivers for expenditures in this account is associated with housing development. Oshawa Municipal development bylaws require developers to build only underground conductors. Another driver is the need to plan for the capital expenditures required to meet the combined growth of Durham College and the new University in Oshawa, UOIT. The planned extension of the 407 highway through Oshawa and the associated development that is planned along that corridor requires capacity in OPUCN's northern area.

Account 1845 is attributable to subdivision planning and the requirements of developers to meet local bylaws. The OEB directs that LDCs have an obligation to connect all new customers. Therefore, expenditures in this account are largely beyond the control of OPUCN.

c. *Provide a single table incorporating all the individual account tables on pages 1 to 7, and add a column indicating the variance in each account as a percentage of the respective account amount, (rather than as % of "gross expenditures in any one year"). Provide the totals for each column. Provide a reconciliation line with below materiality account numbers so that the column total reflects annual Capital Expenditures.*

2006 Approved compared to 2006 Actual	2006 Board Approved	2006 Actual	Variance	Variance% of Net Assets	Account Percentage Change
Gross Asset Accounts over Materiality Threshold					
1820-Distribution Station Equipment - Normally Primary below 50 kV	9,177,302	10,178,638	1,001,336	2%	11%
1835-Overhead Conductors and Devices	32,342,983	38,274,196	5,931,213	14%	18%
1845-Underground Conductors and Devices	36,313,012	46,305,239	9,992,228	24%	28%
1860-Meters	7,643,931	8,130,095	486,164	1%	6%
1930-Transportation Equipment	3,908,309	3,229,151	(679,159)	-2%	-17%
1995-Contributions and Grants - Credit	(7,763,546)	(19,425,220)	(11,661,675)	-28%	150%
	81,621,991	86,692,098	5,070,107		6%

Gross Asset Accounts under Materiality Threshold					
1805-Land	98,896	293,875	194,979	0%	197%
1806-Land Rights	-	-	-		
1808-Buildings and Fixtures	533,720	534,820	1,100	0%	0%
1905-Land	-	-	-		
1906-Land Rights	-	-	-		
1810-Leasehold Improvements	-	-	-		
1815-Transformer Station Equipment - Normally Primary above 50 kV	-	-	-		
1830-Poles, Towers and Fixtures	-	-	-		
1840-Underground Conduit	-	-	-		
1850-Line Transformers	15,531,506	15,483,326	(48,180)	0%	0%
1855-Services	-	-	-		
1565 Conservation & Demand Management Expenditures & Recoveries	33,008	-	(33,008)	0%	-100%
2005-Smart Meters-Adjustments	-	-	-		
1908-Buildings and Fixtures	-	(6,888)	(6,888)	0%	
1910-Leasehold Improvements	59,306	124,275	64,970	0%	110%
1920-Computer Equipment - Hardware	1,770,083	1,926,726	156,642	0%	9%
1925-Computer Software	55,039	136,244	81,205	0%	148%
1915-Office Furniture and Equipment	648,512	696,219	47,707	0%	7%
1935-Stores Equipment	23,366	24,516	1,150	0%	5%
1940-Tools, Shop and Garage Equipment	570,273	728,260	157,987	0%	28%
1945-Measurement and Testing Equipment	122,828	122,828	-	0%	0%
1950-Power Operated Equipment	-	-	-		
1955-Communication Equipment	259,585	259,585	-	0%	0%
1960-Miscellaneous Equipment	1,058	14,290	13,232	0%	1250%
1825-Storage Battery Equipment	-	-	-		
1970-Load Management Controls - Customer Premises	107,035	107,035	-	0%	0%
1975-Load Management Controls - Utility Premises	597,214	600,737	3,523	0%	1%
1980-System Supervisory Equipment	241,949	293,582	51,633	0%	21%
1985-Sentinel Lighting Rental Units	-	-	-		
1990-Other Tangible Property	-	-	-		
	20,653,379	21,339,433	686,053		3%
GROSS ASSET TOTAL	102,275,371	108,031,531	5,756,160		6%

Net Assets, 2006 Board Approved	$ 41,805,164				

2006 Actual compared to 2007 Bridge Year	2006 Actual	2007 Bridge Year	Variance	Variance% of Net Assets	Account Percentage Change
Gross Asset Accounts over Materiality Threshold					
1820-Distribution Station Equipment - Normally Primary below 50 kV	10,178,638	11,223,070	1,044,432	3%	10%
1835-Overhead Conductors and Devices	38,274,196	41,005,209	2,731,013	7%	7%
1845-Underground Conductors and Devices	46,305,239	49,229,854	2,924,614	7%	6%
	94,758,074	101,458,133	6,700,059		7%
Gross Asset Accounts under Materiality Threshold					
1805-Land	293,875	293,875	-	0%	0%
1806-Land Rights	-	-	-	0%	
1808-Buildings and Fixtures	534,820	534,820	-	0%	0%
1905-Land	-	-	-	0%	
1906-Land Rights	-	-	-	0%	
1810-Leasehold Improvements	-	70,000	70,000	0%	
1815-Transformer Station Equipment - Normally Primary above 50 kV	-	-	-	0%	
1830-Poles, Towers and Fixtures	-	-	-	0%	
1840-Underground Conduit	-	-	-	0%	
1850-Line Transformers	15,483,326	15,806,456	323,130	0.78%	2%
1855-Services	-	-	-	0%	
1860-Meters	8,130,095	8,528,826	398,732	0.96%	5%
1565 Conservation & Demand Management Expenditures & Recoveries	-	-	-	0%	
2005-Smart Meters-Adjustments	-	-	-	0%	
1908-Buildings and Fixtures	(6,888)	(6,888)	-	0%	0%
1910-Leasehold Improvements	124,275	125,275	1,000	0%	1%
1920-Computer Equipment - Hardware	1,926,726	1,950,966	24,240	0%	1%
1925-Computer Software	136,244	286,244	150,000	0%	110%
1915-Office Furniture and Equipment	696,219	841,204	144,985	0%	21%

1930-Transportation Equipment	3,229,151	3,544,261	315,110	0.76%	10%
1935-Stores Equipment	24,516	24,516	-	0%	0%
1940-Tools, Shop and Garage Equipment	728,260	800,867	72,607	0%	10%
1945-Measurement and Testing Equipment	122,828	122,828	-	0%	0%
1950-Power Operated Equipment	-	-	-	0%	
1955-Communication Equipment	259,585	589,585	330,000	0.79%	127%
1960-Miscellaneous Equipment	14,290	14,290	-	0%	0%
1825-Storage Battery Equipment	-	-	-	0%	
1970-Load Management Controls - Customer Premises	107,035	107,035	-	0%	0%
1975-Load Management Controls - Utility Premises	600,737	645,308	44,571	0%	7%
1980-System Supervisory Equipment	293,582	293,582	-	0%	0%
1985-Sentinel Lighting Rental Units	-	-	-	0%	
1990-Other Tangible Property	-	-	-	0%	
1995-Contributions and Grants - Credit	(19,425,220)	(19,425,220)	-	0%	0%
	31,697,324	33,527,128	1,874,375		6%
GROSS ASSET TOTAL	108,031,531	116,880,966	8,574,435	21%	8%
Net Assets, 2006 Actual	41,529,287				

2007 Bridge Year compared to 2008 Test Year	2007 Bridge Year	2008 Test Year	Variance	Variance% of Net Assets	Account Percentage Change
Gross Asset Accounts over Materiality Threshold					
1820-Distribution Station Equipment - Normally Primary below 50 kV	11,223,070	14,321,662	3,098,592	7%	28%
1835-Overhead Conductors and Devices	41,005,209	44,258,887	3,253,678	7%	8%
1845-Underground Conductors and Devices	49,229,854	51,157,929	1,928,076	4%	4%
1860-Meters	8,528,826	9,088,826	560,000	1%	7%
1975-Load Management Controls - Utility Premises	645,308	1,143,308	498,000	1%	77%
	110,632,268	119,970,613	9,338,346		8%

Gross Asset Accounts under Materiality Threshold					
1805-Land	293,875	543,875	250,000	0.54%	85%
1806-Land Rights	-	-	-	0%	
1808-Buildings and Fixtures	534,820	534,820	-	0%	0%
1905-Land	-	-	-	0%	
1906-Land Rights	-	-	-	0%	
1810-Leasehold Improvements	70,000	462,220	392,220	0.85%	560%
1815-Transformer Station Equipment - Normally Primary above 50 kV	-	-	-	0%	
1830-Poles, Towers and Fixtures	0	0	0	0	
1840-Underground Conduit	0	0	0	0	
1850-Line Transformers	15,806,456	15,839,790	33,333	0%	0%
1855-Services	-	33,333	33,333	0%	
1565 Conservation & Demand Management Expenditures & Recoveries	-	-	-	0%	
2005-Smart Meters-Adjustments	-	-	-	0%	
1908-Buildings and Fixtures	(6,888)	(6,888)	-	0%	0%
1910-Leasehold Improvements	125,275	125,275	-	0%	0%
1920-Computer Equipment - Hardware	1,950,966	1,992,966	42,000	0%	2%
1925-Computer Software	286,244	310,244	24,000	0%	8%
1915-Office Furniture and Equipment	841,204	1,053,651	212,447	0%	25%
1930-Transportation Equipment	3,544,261	3,894,261	350,000	0.76%	10%
1935-Stores Equipment	24,516	149,516	125,000	0%	510%
1940-Tools, Shop and Garage Equipment	800,867	867,534	66,667	0%	8%
1945-Measurement and Testing Equipment	122,828	152,828	30,000	0%	24%
1950-Power Operated Equipment	-	-	-	0%	
1955-Communication Equipment	589,585	667,585	78,000	0%	13%
1960-Miscellaneous Equipment	14,290	32,290	18,000	0%	126%
1825-Storage Battery Equipment	-	-	-	0%	
1970-Load Management Controls - Customer Premises	107,035	107,035	-	0%	0%
1980-System Supervisory Equipment	293,582	293,582	-	0%	0%
1985-Sentinel Lighting Rental Units	-	-	-	0%	
1990-Other Tangible Property	-	-	-	0%	
1995-Contributions and Grants - Credit	(19,425,220)	(19,425,220)	-	0%	0%
	5,973,698	7,628,698	1,655,000		28%
GROSS ASSET TOTAL	116,605,966	127,599,311	10,993,346		9%

Net Assets, 2007 Bridge	46,211,762				

d. *The text in the first paragraph at page 1 indicates that variances reflect gross expenditures in any one year. It appears that the base for the variance % calculation is gross expenditures. Please explain why the variance % is determined as a percentage of gross expenditures in any one year, rather than as a percentage of gross assets.*

The confusion would appear to be the result of imprecise wording on the part of OPUCN. An examination of the tables presented confirms that variance percentages are based on total assets.

e. *Please provide the calculations for each of the variances amount and percentages in the tables as provided e.g. for example at page 5, for account 1820 the variance amount is shown as 7%. Show how the 7% is derived.*

For the example of account 1820 the calculation is:

(2008 test year amount – 2007 bridge year amount) / Total 2007 bridge year net assets
= ($49,229,854 - $46,305,239) / $46,211,762
=7%

The calculations requested are contained in the tables provided above for the OEB IR question 2(c). The net asset values used in the calculation for each year are shown at the bottom of each chart.

f. *Please provide an additional calculation of variance % for each asset account this time based on the change from the value of the amount in the first column i. e. page 5, for account 1820 the variance amount would be 27.5% (3,098,592/11,233,070x100=27.5%). Please provide detailed explanations for the variances in the individual accounts which exceed 10%.*

2006 Approved compared to 2006 Actual	2006 Board Approved	2006 Actual	Variance	Account Percentage Change	Explanation
Gross Asset Accounts over Materiality Threshold					
1820-Distribution Station Equipment - Normally Primary below 50 kV	9,177,302	10,178,638	1,001,336	11%	If averaged over the 2 year span (since EDR 2006 reflects assets as at 2004), variance reflects expenditures below threshold. Major item a new transformer purchase $760k for new MS Station.
1835-Overhead Conductors and Devices	32,342,983	38,274,196	5,931,213	18%	Much of Overhead and Underground Conductors are offset by Contributions (Contributed Capital). Net Values well below threshold. Considerable upgrade of existing circuits and new circuits associated with large Sub-Division Growth. Remainder regular annual enhancement investments.
1845-Underground Conductors and Devices	36,313,012	46,305,239	9,992,228	28%	Expenditures represent no one single large amount amongst projects. Significant increases in 2006 of Sub-division construction, GM Sports Centre, the new 401 Interchange (all these expenditures mainly offset by Contributed Capital), and adding normal patterns for annual enhancement investments.
1860-Meters	7,643,931	8,130,095	486,164	6%	
1930-Transportation Equipment	3,908,309	3,229,151	(679,159)	-17%	Disposal of 10 trucks in excess of 10 -16 years in age. High repair/maintenance costs were occurring.
1995-Contributions and Grants - Credit	(7,763,546)	(19,425,220)	(11,661,675)	150%	Significant increase from Contributions from Sub-division construction, new GM Sports Center, and new 401 Interchange.
	81,621,991	86,692,098	5,070,107	6%	

Gross Asset Accounts under Materiality Threshold					
1805-Land	98,896	293,875	194,979	197%	Purchase of land to establish new MS Station (Conlin Road Site)
1806-Land Rights	-	-	-		
1808-Buildings and Fixtures	533,720	534,820	1,100	0%	
1905-Land	-	-	-		
1906-Land Rights	-	-	-		
1810-Leasehold Improvements	-	-	-		
1815-Transformer Station Equipment - Normally Primary above 50 kV	-	-	-		
1830-Poles, Towers and Fixtures	-	-	-		
1840-Underground Conduit	-	-	-		
1850-Line Transformers	15,531,506	15,483,326	(48,180)	0%	
1855-Services	-	-	-		
1565 Conservation & Demand Management Expenditures & Recoveries	33,008	-	(33,008)	-100%	Re-allocate as per change in OEB policy for recording of CDM expenditures.
2005-Smart Meters-Adjustments	-	-	-		
1908-Buildings and Fixtures	-	(6,888)	(6,888)		
1910-Leasehold Improvements	59,306	124,275	64,970	110%	Renovation for new offices in main administration building (leased from City). Renovation providing added efficiencies for Staff productivity.
1920-Computer Equipment - Hardware	1,770,083	1,926,726	156,642	9%	
1925-Computer Software	55,039	136,244	81,205	148%	Web Site Development, upgrades in Great Plains Systems (accounting and work order software)
1915-Office Furniture and Equipment	648,512	696,219	47,707	7%	
1935-Stores Equipment	23,366	24,516	1,150	5%	
1940-Tools, Shop and Garage Equipment	570,273	728,260	157,987	28%	Replace pressure washer for Fleet Cleaning in addition to constant and normal annual expenditures for tools and equipment.
1945-Measurement and Testing Equipment	122,828	122,828	-	0%	
1950-Power Operated Equipment	-	-	-		
1955-Communication Equipment	259,585	259,585	-	0%	

1960-Miscellaneous Equipment	1,058	14,290	13,232	1250%	Cable pipe locator
1825-Storage Battery Equipment	-	-	-		
1970-Load Management Controls - Customer Premises	107,035	107,035	-	0%	
1975-Load Management Controls - Utility Premises	597,214	600,737	3,523	1%	
1980-System Supervisory Equipment	241,949	293,582	51,633	21%	Upgrade in CAD system programs
1985-Sentinel Lighting Rental Units	-	-	-		
1990-Other Tangible Property	-	-	-		
	20,653,379	21,339,433	686,053	3%	
GROSS ASSET TOTAL	102,275,371	108,031,531	5,756,160	6%	
Net Assets, 2006 Board Approved	$ 41,805,164				

2006 Actual compared to 2007 Bridge Year	2006 Actual	2007 Bridge Year	Variance	Account Percentage Change	Explanation
Gross Asset Accounts over Materiality Threshold					
1820-Distribution Station Equipment - Normally Primary below 50 kV	10,178,638	11,223,070	1,044,432	10%	After MS Station Fire, 5 year program to replace specific breakers and relay for all MS stations that have been found to be at risk (cost s include completion of relays replacement projects in 2006 and for 2007). Design costs of new MS Station. Major overhaul of MS Station #2.
1835-Overhead Conductors and Devices	38,274,196	41,005,209	2,731,013	7%	
1845-Underground Conductors and Devices	46,305,239	49,229,854	2,924,614	6%	

	94,758,074	101,458,133	6,700,059	7%	
Gross Asset Accounts under Materiality Threshold					
1805-Land	293,875	293,875	-	0%	
1806-Land Rights	-	-	-		
1808-Buildings and Fixtures	534,820	534,820	-	0%	
1905-Land	-	-	-		
1906-Land Rights	-	-	-		
1810-Leasehold Improvements	-	70,000	70,000		Delayed leasehold improvements now commencing with signing of new 5 year lease agreement (new washroom and changing facilities).
1815-Transformer Station Equipment - Normally Primary above 50 kV	-	-	-		
1830-Poles, Towers and Fixtures	-	-	-		
1840-Underground Conduit	-	-	-		
1850-Line Transformers	15,483,326	15,806,456	323,130	2%	
1855-Services	-	-	-		
1860-Meters	8,130,095	8,528,826	398,732	5%	
1565 Conservation & Demand Management Expenditures & Recoveries	-	-	-		
2005-Smart Meters-Adjustments	-	-	-		
1908-Buildings and Fixtures	(6,888)	(6,888)	-	0%	
1910-Leasehold Improvements	124,275	125,275	1,000	1%	
1920-Computer Equipment - Hardware	1,926,726	1,950,966	24,240	1%	
1925-Computer Software	136,244	286,244	150,000	110%	New IVR Telephone system (for better service to customers), Disaster recovery Planning (safeguard ability to provide customer service, and ensure informational data and system are maintained).
1915-Office Furniture and Equipment	696,219	841,204	144,985	21%	Power Gates (operations entrances), defibrilators, replace HVAC roof unit (heat and air conditioning unit), office stalls for distribution staff.

1930-Transportation Equipment	3,229,151	3,544,261	315,110	9.76%	New replacement bucket truck. Truck was expected to be delivered in 2006, vendor problems delayed till 2007 for delivery.
1935-Stores Equipment	24,516	24,516	-	0%	
1940-Tools, Shop and Garage Equipment	728,260	800,867	72,607	9.97%	Pressure Hydraulic Hoses, regular annual tools purchases
1945-Measurement and Testing Equipment	122,828	122,828	-	0%	
1950-Power Operated Equipment	-	-	-		
1955-Communication Equipment	259,585	589,585	330,000	127%	Upgrade in GIS System.
1960-Miscellaneous Equipment	14,290	14,290	-	0%	
1825-Storage Battery Equipment	-	-	-		
1970-Load Management Controls - Customer Premises	107,035	107,035	-	0%	
1975-Load Management Controls - Utility Premises	600,737	645,308	44,571	7%	
1980-System Supervisory Equipment	293,582	293,582	-	0%	
1985-Sentinel Lighting Rental Units	-	-	-		
1990-Other Tangible Property	-	-	-		
1995-Contributions and Grants - Credit	(19,425,220)	(19,425,220)	-	0%	
	31,697,324	33,527,128	1,874,375	6%	
GROSS ASSET TOTAL	108,031,531	116,880,966	8,574,435	8%	
Net Assets, 2006 Actual	41,529,287				

2007 Bridge Year compared to 2008 Test Year	2007 Bridge Year	2008 Test Year	Variance	Account Percentage Change	
Gross Asset Accounts over Materiality Threshold					
1820-Distribution Station Equipment - Normally Primary below 50 kV	11,223,070	14,321,662	3,098,592	28%	Construction of new MS Station in order to service growth in North and East regions (planned $2 million expenditure in 2008). After MS Station Fire, 5 year program to replace specific breakers and relays for all MS stations that have been found to be at risk.
1835-Overhead Conductors and Devices	41,005,209	44,258,887	3,253,678	8%	In addition to regular annual enhancements of Overhead Conductors, commencement of upgrading and building circuits to allow for service from new MS Station and new TS Station. Identification of Capacity requirements to service new sub-divisions, the new University (UOIT), and expected developments in Northern and Eastern regions of City, have driven need for these Project expenditures. As well, after completion of consultant's review of condition of poles, OPUCN has established yearly program of replacing at risk poles.
1845-Underground Conductors and Devices	49,229,854	51,157,929	1,928,076	4%	In addition to regular annual enhancements of Underground Conductors, identification of Capacity requirements to service new sub-divisions, the new University (UOIT), and expected developments in Northern and Eastern regions of City, have driven need for these Expansion Project expenditures.
1860-Meters	8,528,826	9,088,826	560,000	7%	Associated with CDM Program to upgrade qualified customers with new interval meters. Further expenditures are for normal annual requirements and for purchases associated with sub-division growth (of Single phase and Polyphase meters).
1975-Load Management Controls - Utility Premises	645,308	1,143,308	498,000	77%	Upgrade Scada System. Existing Scada System damaged and found to be unrepairable. At risk of not being able to quickly identify power outages, and providing of load data without the upgrade.
	110,632,268	119,970,613	9,338,346	8%	

Gross Asset Accounts under Materiality Threshold					
1805-Land	293,875	543,875	250,000	85%	Land purchase for new MS Station.
1806-Land Rights	-	-			
1808-Buildings and Fixtures	534,820	534,820	-	0%	
1905-Land	-	-	-		
1906-Land Rights	-	-	-		
1810-Leasehold Improvements	70,000	462,220	392,220	560%	After several years of delay a long term lease has been signed with the landlord and needed leasehold improvements have been started. The improvements are needed to support better staff productivity and efficiency.
1815-Transformer Station Equipment - Normally Primary above 50 kV	-	-	-		
1830-Poles, Towers and Fixtures	0	0	0		
1840-Underground Conduit	0	0	0		
1850-Line Transformers	15,806,456	15,839,790	33,333	0%	
1855-Services	-	33,333	33,333		
1565 Conservation & Demand Management Expenditures & Recoveries	-	-	-		
2005-Smart Meters-Adjustments	-	-	-		
1908-Buildings and Fixtures	(6,888)	(6,888)	-	0%	
1910-Leasehold Improvements	125,275	125,275	-	0%	
1920-Computer Equipment - Hardware	1,950,966	1,992,966	42,000	2%	
1925-Computer Software	286,244	310,244	24,000	8%	
1915-Office Furniture and Equipment	841,204	1,053,651	212,447	25%	Repair of dock facilities, photo copier/printer for Engineering, Works stalls for operations Staff, Security Cameras (protect Staff and safeguard assets), M-Care System (improve customer service), and Automatic External Defibrillators.

1930-Transportation Equipment	3,544,261	3,894,261	350,000	9.9%	New bucket truck replacement.
1935-Stores Equipment	24,516	149,516	125,000	510%	Bar Coding System to improve inventory efficiencies and to ensure adequate inventory to maintain distribution system.
1940-Tools, Shop and Garage Equipment	800,867	867,534	66,667	8%	
1945-Measurement and Testing Equipment	122,828	152,828	30,000	24%	Purchase and installation of Power Circuit Analyzer.
1955-Communication Equipment	589,585	667,585	78,000	13%	Fibre Optics construction for Scada system and monitoring systems at MS Stations/ {Pole Yard.
1960-Miscellaneous Equipment	14,290	32,290	18,000	126%	Infra Red Cameras - protection and safeguarding of equipment and inventories at various sites.
1825-Storage Battery Equipment	-	-	-		
1970-Load Management Controls - Customer Premises	107,035	107,035	-	0%	
1980-System Supervisory Equipment	293,582	293,582	-	0%	
1985-Sentinel Lighting Rental Units	-	-	-		
1990-Other Tangible Property	-	-	-		
1995-Contributions and Grants - Credit	(19,425,220)	(19,425,220)	-	0%	
	5,973,698	7,628,698	1,655,000	28%	
GROSS ASSET TOTAL	116,605,966	127,599,311	10,993,346	9%	
Net Assets, 2007 Bridge	46,211,762				

3. *Ref: 2006 Filing requirement (EB-2006-0170) section 2.3*

For each of 2006, 2007 and 2008, please provide the total value, the number of capital projects and the average value of the capital projects that are under the materiality level (1% of total net fixed assets) and reconcile to total Capital Budget

2006 Actual

Project Description	USoA Account	Expansion or Enhancement	Amount	Number of Projects	Average Value
All Projects *			**4,411,526**	**185**	**23,846**
Total			**4,411,526**	**185**	**23,846**

* No one Project is over Threshold (Materiality 1% of Net Fixed Assets)

2007 Bridge

Project Description	USoA Account	Expansion or Enhancement	Amount	Number of Projects	Average Value
C07-200 Overhead Pole Replacement Program	1835	**Enhancement**	**545,400**	**1**	**545,400**
C07-204 Overhead circuit upgrades Conlin Rd, Durham College, to Wilson Road.	1835	**Enhancement**	**729,000**	**1**	**729,000**
Projects under Materiality (less than 1% of Total Net Fixed Assets)			**7,300,035**	**121**	**60,331**
Total			**8,574,435**	**123**	**69,711**

2008 Test

Project Description	USoA Account	Expansion or Enhancement	Amount	Number of Projects	Average Value
2008 Overhead Pole Replacement Program	1835	**Enhancement**	**550,000**	**1**	**550,000**
Building of New MS Substation MS#9	1820	**Enhancement**	**2,000,000**	**1**	**2,000,000**
C07-901 Scada System Upgrade	1975	**Capital Equipment**	**498,000**	**1**	**498,000**
Projects under Materiality (less than 1% of Total Net Fixed Assets)			**6,823,844**	**20**	**341,192**
Total			**9,871,844**	**23**	**429,211**

2009 (to May 1, 2009)

Project Description	USoA Account	Expansion or Enhancement	Amount	Number of Projects	Average Value
Projects under Materiality (less than 1% of Total Net Fixed Assets)			**1,121,501**	**24**	**46,729**
Total			**1,121,501**	**24**	**46,729**

4. *Ref: Exhibit 2, Tab 3, Schedule 3, page 8*

The project type for "Building a new Municipal Substation (MS9)" is indicated as "Expansion" and the associated cost is $2,000,000. However, the Total for Expansion projects in Exhibit 2, Tab 3, Schedule 2, page 3 only $900,001.

a. *Please explain this apparent discrepancy for 2008 Expansion project(s).*

OPUCN regrets that it has made an identification error for this project. It should have been identified as an enhancement project. Its cost is correctly included in the total value of expansion projects in Exhibit 2, Tab 3, Schedule 2.

5. *Ref: Exhibit 2, Tab 3, Schedule 2, page 2 – 3*

Under the Capital Budget by project type, the total of Special/Individual projects increased by 1145% from 2006 to 2008 (2006: $119,140, number of projects 14; 2008: $1,483,425, number of projects 21).

a. Please explain the reason for the increase in Special/Individual projects.

Projects and purchases are carefully scrutinized through our Budget processes which are explained in detail at Exhibit 2, Tab 3, Schedule 1 of the rate application (EB-2007-0710). The main reason for the variance between 2006 Actual and 2007 Bridge figures is that a major project, C06-817 GIS System Upgrade, budgeted for $330,000, was scheduled for completion in 2006 but due to delays will be completed in 2007. If this project had been completed as planned in 2006 the total investment for 2006 would have been $449,000 and for 2007 would be projected to be $507,000, an increase of 12.9%. This would result in smoothing of expenditures in those years.

The two project areas that impact the variance in 2008 Test year expenditures over the 2007 Bridge year are the Scada System Upgrade budgeted for $498,000 and Leasehold Improvements budgeted for a total of $475,000. These two projects account for $973,000 of the 2008 Test year budget. The Scada System requirements are identified in Exhibit 2, Tab 3, Schedule 3 Page 12 of 2008 Rate Application. In summary, it is essential to upgrade the Scada System in order to enhance OPUCN's capability to monitor and control operating conditions of the distribution system. This will lead to improvements in reliability and safety and allow us to respond better to customer service concerns. Leasehold improvements are overdue and are included in the forecast for 2008 as a result of the fact that OPUCN has signed a 5 year lease agreement with the City of Oshawa, our landlord, which covers our main operations, administrative, stores, and garage facilities. The buildings are in urgent need of renovation as it was deemed prudent to delay necessary improvements until the lease agreement could be finalized.

The main administrative building was built in 1930 and the other buildings are almost as old. Normal problems associated with old buildings have combined with a lack of investment in them to result in environmental and safety concerns for Staff, Customers, and other stakeholders. Employee productivity is identified as a concern with the environmental challenges of old and poorly maintained buildings. Now that the lease has been finalized it is necessary to "catch up" with the investment needed to bring the buildings up to safe and efficient conditions.

If both the Scada System and Leasehold Improvement investments are discounted from the 2008 total, Special / individual projects would total $510,000 which is comparable to the previous year adjusted average expenditures.

b. Please provide a detailed description of each of the amounts in the column of Special/individual projects including the nature and the benefit of these projects.

Special/ Individual Projects for 2006				
Description	**Amount**	**Contributed**	**Net Fixed Assets**	
C05-802 Battery Operated Cutters	1,865.70		1,865.70	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C05-804 Spike Tool	1,890.00		1,890.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C05-805 Stringing Equipment	3,240.00		3,240.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C05-806 Primary Cable Strippers	1,603.80		1,603.80	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C05-823 AM/FM System Upgrade	32,333.37		32,333.37	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C06-800 2T Web Hoist	2,151.36		2,151.36	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C06-801 Tool Hydraulic Hoses	2,408.40		2,408.40	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C06-802 Protective Rubber	2,214.00		2,214.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C06-804 Manhole Pump	7,494.92		7,494.92	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.

C06-805 Impact Guns	1,288.92		1,288.92	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C06-807 Portable generator	1,036.79		1,036.79	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C06-809 DC Battery Tester and Charger	3,920.62		3,920.62	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C06-811 Distribution Miscellaneous	5,000.40		5,000.40	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C06-817 GIS System Upgrade	52,692.08		52,692.08	Efficiencies to customer service and project design work, productivity improvements of Staff allowing cost savings to customer.
Total	119,140.36	0.00	119,140.36	
Special/ Individual Projects for 2007				
C06-804 Manhole Pump	5,054.71	0.00	5,054.71	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C06-806 1000 Volt Meggars	1,458.00	0.00	1,458.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C06-808 Traffic Control Equipment	4,382.00	0.00	4,382.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C06-810 Infrared Camera	3,564.00	0.00	3,564.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.

C06-811 Distribution Miscellaneous	8,148.60	0.00	8,148.60	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C07-821 Tool Hydraulic Hoses	50,000.00	0.00	50,000.00	Replacements for Garage Equipment Hoses (to meet maintenance and "safety" requirements)
Dell Workstation Replacement One per Month	18,000.00	0.00	18,000.00	Part of replacement program to upgrade old computers (to provide better customer service and informational requirements for Staff to do their job. Improved Staff productivity.
VXA Backup Tapes-McLaughlin Server	1,920.00	0.00	1,920.00	Safeguard of data bases and information (risk mitigation requirements)
Mammoth Backup Tapes-main data Server	1,920.00	0.00	1,920.00	Safeguard of data bases and information (risk mitigation requirements)
APC Backup UPS-	2,400.00	0.00	2,400.00	Safeguard of data bases and information (risk mitigation requirements)
Disaster Recover Planning	50,000.00	0.00	50,000.00	To mitigate risk, to allow the provision of service to customers in time of emergencies.
IVR (Telephone Voice Response System)	100,000.00	0.00	100,000.00	Improvements to productivity of customer service. Efficiencies of supplying information to customers, and better timing for responses as to customer questions. Improved Staff productivity with resulting saving to customer.
M-care (Mobile Service Orders)	30,000.00	0.00	30,000.00	Improvements as to customer service. Faster response to customer requests. Improved Staff productivity.
OHS Replacement Overhead Projector	600.00	0.00	600.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
Multimedia Cart for Safety Meeting Presentations	300.00	0.00	300.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
Multimedia Replacement Projector	2,000.00	0.00	2,000.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
Automatic External Defibrillators (3)	6,085.00	0.00	6,085.00	Improve emergency response to Staff/ Customers. Safety concern.

Security Cameras at Stations and Pole Yard - $3,000 ea.	30,000.00	0.00	30,000.00	Reduced risk of theft of inventories / equipment, reduced risk of damages. Safety of Security personal.
EDI (Technical Services, Stores &Accounting)	40,000.00	0.00	40,000.00	Facilitate purchasing processes with suppliers. Efficiencies and costs savings in processes for purchase order issuance, stores receipt delivery, and invoice recording and payment. Savings to customer.
Desks/Chairs Miscellaneous	5,000.00	0.00	5,000.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
Colour Printer	1,000.00	0.00	1,000.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
C07-900 MV-90 Upgrade to ZI	44,571.00	0.00	44,571.00	Improve the data capture for meter interval recording and processing and to allow service for additional interval customers.
C06-817 GIS System Upgrade	330,000.00	0.00	330,000.00	To allow better communications and information for Staff to more efficiently service our customers. Improvements for customers' development projects.
HVAC Replacement - Main office	30,000.00	0.00	30,000.00	Comfort and safety of Staff and visiting customers. Impact on Staff productivity. Roof unit approaching a nonrepairable condition, and has been found to use too much energy.
Add doors to Meter Shop (Separating office from shop area)	1,000.00	0.00	1,000.00	Safety and environmental concern. Improve working conditions in office to improve staff efficiency
Main Office Windows Replacement -Leasehold Improvements	50,000.00	0.00	50,000.00	Safety and staff environmental concern. Windows have rusted or broken to such a degree that there is a danger of windows or areas around window falling onto Staff.
Main Office Refurbishment of Basement - Leasehold Improvements	5,000.00	0.00	5,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns.
Bagot St. Yard - Upgrade Lighting (main distribution yard)	10,000.00	0.00	10,000.00	Address security concerns and allow Staff to properly access inventories. Risk of theft concerns would be mitigated.
Main Office - External Concrete Repairs	5,000.00	0.00	5,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns.

Total	837,403.31	0.00	837,403.31	
Special/ Individual Projects for 2008				
2008 Tools and Equipment	50,000.00	0.00	50,000.00	Annual requirements for staff to be able to perform responsibilities. This is a continuing cost that provides necessary tools and equipment.
GP Budget Tool	20,000.00	0.00	20,000.00	Software improvement to make budget processes more efficient. This tool is needed in the drive to eliminate "bottle necks" in the accounting department due to insufficient resources. It will also reduce budgeting costs.
GP Account Changer Tool	2,000.00	0.00	2,000.00	Software improvement to make budget processes more efficient. This tool is needed in the drive to eliminate "bottle necks" in the accounting department due to insufficient resources. It will also reduce budgeting costs.
Power gates	40,000.00	0.00	40,000.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
GP Reconciler	2,000.00	0.00	2,000.00	Software improvement to make budget processes more efficient. This tool is needed in the drive to eliminate "bottle necks" in the accounting department due to insufficient resources. It will also reduce budgeting costs.
Dell Workstation Replacement Two per Month	36,000.00	0.00	36,000.00	Part of replacement program to upgrade old computers to facilitate better customer service and meet informational requirements for Staff to do their jobs more effectively. Improved Staff productivity.
Automatic External Defibrillators (15)	30,425.00	0.00	30,425.00	Improve emergency response to Staff/ Customers. Safety concern.
A/C installed in MS10	21,000.00	0.00	21,000.00	Reduce risk of overheating conditions in MS Station. Drive to maintain reliability of system.
A/C installed in MS15	23,000.00	0.00	23,000.00	Reduce risk of overheating conditions in MS Station. Drive to maintain reliability of system.
Bar Coding	125,000.00	0.00	125,000.00	Improvements and cost savings of inventory handling. Better record keeping allowing reduction in inventory quantities (reducing costs of maintaining inventory).

Colour Printer, fax ,copy unit	5,000.00	0.00	5,000.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
Dock upgrade and repair	40,000.00	0.00	40,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns.
Desks/Chairs Miscellaneous	5,000.00	0.00	5,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns.
Distribution Reno/Work Stalls	50,000.00	0.00	50,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns.
Photo Copier/Printer	30,000.00	0.00	30,000.00	Provide Staff with proper tools to carry out necessary work for acceptable customer service, and to maintain the distribution system.
Infra-red Camera - for theft of power investigation	18,000.00	0.00	18,000.00	Reduced risk of theft of inventories / equipment, reduced risk of damages. Safety of Security personnel.
Power circuit Analyzer	30,000.00	0.00	30,000.00	Safeguard of equipment, data bases and information (risk mitigation requirements)
C07-901 Scada Upgrade & Fibre Connect	498,000.00	0.00	498,000.00	Please reference Exhibit 2, Tab 3, Schedule 3 Page 12 of 2008 Rate Application. Allow monitor and control of operating conditions of distribution system (reliability, safety, and customer service concerns).
Fibre Optics Construction (to MS Station Sites)	78,000.00	0.00	78,000.00	Please reference Exhibit 2, Tab 3, Schedule 3 Page 12 of 2008 Rate Application. Allow monitor and control of operating conditions of distribution system (reliability, safety, and customer service concerns).
Upgrade and re-wire electrical service in main office	25,000.00	0.00	25,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns. Improved productivity of staff in more efficient work environment
Renovations Distribution Building -Leasehold Improvements	130,000.00	0.00	130,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns. Improved productivity of staff in more efficient work environment
Main office Building Washroom Refurbishment (4)	40,000.00	0.00	40,000.00	Old building that has not had renovations for over 15 years. Environmental, health, and safety concerns. Improved productivity of staff in more efficient work environment
T&D Building Renovate/ Expand/ Washroom -Leasehold Improvements	40,000.00	0.00	40,000.00	Old building that has not had renovations for over 15 years. Environmental, health, and safety concerns. Improved productivity of staff in more efficient work environment

Bagot St. Yard - Replace Fencing (Security Concern)	50,000.00	0.00	50,000.00	Reduced risk of theft of inventories / equipment, reduced risk of damages. Safety of Security personal.
Lower basement tidy up paint and flooring	5,000.00	0.00	5,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns. Improved productivity of staff in more efficient work environment
Energy efficient lighting retro fit main office	10,000.00	0.00	10,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns. Improved productivity of staff in more efficient work environment. Energy cost savings.
Loading Dock - Repair and Refurbish	10,000.00	0.00	10,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns. Improved productivity of staff in more efficient work environment
Garage - Upgrade Lighting and Insulation	50,000.00	0.00	50,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns. Improved productivity of staff in more efficient work environment
Distribution Building - Rooftop Air conditioner Replacement	20,000.00	0.00	20,000.00	Old building that has not had renovations for over 15 years. Environmental and safety concerns. Improved productivity of staff in more efficient work environment
Total	1,483,425.00	0.00	1,483,425.00	

6. Exhibit 2 tab 2 Schedule 4.

Please provide a revised table showing also the depreciation for the historic year 2006.

ACCUMULATED DEPRECIATION	2006 Board Approved	2006 Actual	Variance form 2006 Board Approved	Depreciation 2006 Historic	2006 Actual	2007 Bridge	Variance form 2006 Actual	2007 Bridge	2008 Test	Variance form 2007 Bridge	for SUMIF
	($'s)	($'s)			($'s)	($'s)		($'s)	($'s)		
Land and Buildings											
1805-Land-Depreciation	-	-	-		-	-	-	-	-	-	1805-Closing
1806-Land Rights-Depreciation	-	-	-		-	-	-	-	-	-	1806-Closing
1808-Buildings and Fixtures-Depreciation	(258,004)	(274,764)	(16,760)	8,380	(274,764)	(283,780)	(9,016)	(283,780)	(292,796)	(9,016)	1808-Closing
1905-Land-Depreciation	-	-	-		-	-	-	-	-	-	1905-Closing
1906-Land Rights-Depreciation	-	-	-		-	-	-	-	-	-	1906-Closing
1810-Leasehold Improvements-Depreciation	-	-	-		-	(7,000)	(7,000)	(7,000)	(60,222)	(53,222)	1810-Closing
Sub-Total-Land and Buildings	(258,004)	(274,764)	(16,760)	8,380	(274,764)	(290,780)	(16,016)	(290,780)	(353,018)	(62,238)	
TS Primary Above 50											
1815-Transformer Station Equipment - Normally Primary above 50 kV-Depreciation	-	-	-	-	-	-	-	-	-	-	1815-Closing
Sub-Total-TS Primary Above 50	-	-	-	-	-	-	-	-	-	-	
DS											
1820-Distribution Station Equipment - Normally Primary below 50 kV-Depreciation	(5,946,057)	(6,519,679)	(573,622)	280,139	(6,519,679)	(6,827,954)	(308,275)	(6,827,954)	(7,196,434)	(368,480)	1820-Closing
Sub-Total-DS	(5,946,057)	(6,519,679)	(573,622)	280,139	(6,519,679)	(6,827,954)	(308,275)	(6,827,954)	(7,196,434)	(368,480)	
Poles and Wires											
1830-Poles, Towers and Fixtures-Depreciation	-	-	-	-	-	-	-	-	-	-	1830-Closing

1835-Overhead Conductors and Devices-Depreciation	(16,948,443)	(19,176,755)	(2,228,312)	1,211,871	(19,176,755)	(20,427,017)	(1,250,261)	(20,427,017)	(21,772,329)	(1,345,312)	1835-Closing
1840-Underground Conduit-Depreciation	-	-	-	-	-	-	-	-	-	-	1840-Closing
1845-Underground Conductors and Devices-Depreciation	(16,322,060)	(19,700,038)	(3,377,978)	1,760,193	(19,700,038)	(21,581,712)	(1,881,674)	(21,581,712)	(23,560,440)	(1,978,728)	1845-Closing
Sub-Total-Poles and Wires	(33,270,503)	(38,876,793)	(5,606,290)	2,972,064	(38,876,793)	(42,008,729)	(3,131,936)	(42,008,729)	(45,332,769)	(3,324,040)	
Line Transformers											
1850-Line Transformers-Depreciation	(11,029,954)	(11,863,842)	(833,888)	416,718	(11,863,842)	(12,316,555)	(452,713)	(12,316,555)	(12,776,397)	(459,842)	1850-Closing
Sub-Total-Line Transformers	(11,029,954)	(11,863,842)	(833,888)	416,718	(11,863,842)	(12,316,555)	(452,713)	(12,316,555)	(12,776,397)	(459,842)	
Services and Meters											
1855-Services-Depreciation	-	-	-	-	-	-	-	-	(667)	(667)	1855-Closing
1860-Meters-Depreciation	(4,050,783)	(4,519,372)	(468,589)	246,777	(4,519,372)	(4,781,366)	(261,994)	(4,781,366)	(5,062,535)	(281,169)	1860-Closing
2005-Smart Meters-Adjustments	-	-	-	-	-	-	-	-	-	-	2005-Closing
Sub-Total-Services and Meters	(4,050,783)	(4,519,372)	(468,589)	246,777	(4,519,372)	(4,781,366)	(261,994)	(4,781,366)	(5,063,202)	(281,836)	
General Plant											
1908-Buildings and Fixtures-Depreciation	-	6,888	6,888	-	6,888	7,025	138	7,025	7,163	138	1908-Closing
1910-Leasehold Improvements-Depreciation	13,089	(22,918)	(36,007)	18,834	(22,918)	(44,642)	(21,724)	(44,642)	(63,764)	(19,121)	1910-Closing
Sub-Total-General Plant	13,089	(16,031)	(29,119)	18,834	(16,031)	(37,617)	(21,586)	(37,617)	(56,601)	(18,984)	
IT Assets											
1920-Computer Equipment - Hardware-Depreciation	(1,582,520)	(1,765,998)	(183,478)	103,858	(1,765,998)	(1,845,066)	(79,068)	(1,845,066)	(1,900,098)	(55,033)	1920-Closing
1925-Computer Software-Depreciation	(46,990)	(133,016)	(86,026)	48,652	(133,016)	(181,794)	(48,777)	(181,794)	(262,794)	(81,000)	1925-Closing
Sub-Total-IT Assets	(1,629,510)	(1,899,014)	(269,504)	152,510	(1,899,014)	(2,026,860)	(127,845)	(2,026,860)	(2,162,892)	(136,033)	
Equipment											
1915-Office Furniture and Equipment-Depreciation	(542,624)	(575,947)	(33,323)	16,384	(575,947)	(603,417)	(27,470)	(603,417)	(648,759)	(45,342)	1915-Closing
1930-Transportation Equipment-Depreciation	(2,980,116)	(2,364,062)	616,054	(254,184)	(2,364,062)	(2,591,456)	(227,394)	(2,591,456)	(2,891,508)	(300,052)	1930-Closing

1935-Stores Equipment-Depreciation	(23,366)	(23,366)	-	-	(23,366)	(23,481)	(115)	(23,481)	(29,846)	(6,365)	1935-Closing
1940-Tools, Shop and Garage Equipment-Depreciation	(501,090)	(560,726)	(59,636)	31,620	(560,726)	(590,656)	(29,930)	(590,656)	(626,486)	(35,830)	1940-Closing
1945-Measurement and Testing Equipment-Depreciation	(118,218)	(121,109)	(2,891)	1,227	(121,109)	(121,723)	(614)	(121,723)	(123,523)	(1,800)	1945-Closing
1950-Power Operated Equipment-Depreciation	-	-	-	-	-	-	-	-	-	-	1950-Closing
1955-Communication Equipment-Depreciation	(187,627)	(206,203)	(18,576)	9,288	(206,203)	(257,778)	(51,575)	(257,778)	(349,901)	(92,123)	1955-Closing
1960-Miscellaneous Equipment-Depreciation	-	-	-	-	-	(1,429)	(1,429)	(1,429)	(3,758)	(2,329)	1960-Closing
Sub-Total-Equipment	(4,353,042)	(3,851,414)	501,628	(195,665)	(3,851,414)	(4,189,940)	(338,527)	(4,189,940)	(4,673,781)	(483,840)	
Other Distribution Assets											
1825-Storage Battery Equipment-Depreciation	-	-	-	-	-	-	-	-	-	-	1825-Closing
1970-Load Management Controls - Customer Premises-Depreciation	(102,173)	(107,035)	(4,862)	-	(107,035)	(107,035)	-	(107,035)	(107,035)	-	1970-Closing
1975-Load Management Controls - Utility Premises-Depreciation	(584,611)	(593,253)	(8,642)	3,003	(593,253)	(598,167)	(4,914)	(598,167)	(630,209)	(32,042)	1975-Closing
1980-System Supervisory Equipment-Depreciation	(238,092)	(259,993)	(21,901)	14,184	(259,993)	(265,156)	(5,163)	(265,156)	(270,320)	(5,163)	1980-Closing
1985-Sentinel Lighting Rental Units-Depreciation	-	-	-	-	-	-	-	-	-	-	1985-Closing
1990-Other Tangible Property-Depreciation	-	-	-	-	-	-	-	-	-	-	1990-Closing
1995-Contributions and Grants - Credit-Depreciation	979,434	2,278,946	1,299,512	(777,008)	2,278,946	3,055,955	777,009	3,055,955	3,832,964	777,009	1995-Closing
Sub-Total-Other Distribution Assets	54,559	1,318,665	1,264,107	(759,821)	1,318,665	2,085,597	766,932	2,085,597	2,825,401	739,803	
ACCUMULATED DEPRICIATION TOTAL	(60,470,207)	(66,502,244)	(6,032,038)	3,139,936	(66,502,244)	(70,394,204)	(3,891,960)	(70,394,204)	(74,789,694)	(4,395,490)	

7. *Ref: 2006 Filing requirement (EB-2006-0170) section 2.3 Exhibit 2:*

Please confirm that OPUCN has no projects for which a Leave to Construct under section 92 is required.

Oshawa PUC Networks Inc. has no projects for which a Leave to Construct under section 92 is required.

8. *Reference: None*

a. *Please provide OPUCN's Code of Business Conduct.*

Professional Image and Conduct Policy

It is the mandate of Oshawa Power and Utilities Corporation and its subsidiaries to impart an expectation to its employees to perform their duties with integrity, competence, impartiality, and a commitment to service, free from conflict of interest. Employees should be cognizant that at all times they represent and protect the image of the Corporation and are expected to conduct themselves in a professional manner that respects the rights of others.

The Corporation endeavours to conduct its operations with the highest level of integrity and recognizes that this commitment contributes to the overall success of the organization.

b. *For the years 2002 to 2008 inclusive, please provide a table listing the following (use actual dollars in years where available, or expected or planned or projected dollars, or % where indicated):*

I. *Net income*
II. *Actual Return on Equity (%)*
III. *Allowed Return on Equity (%)*
IV. *Retained Earnings;*
V. *Dividends to shareholders;*

VI. *Sustainment Capital expenditures;*
VII. *Development Capital Expenditures;*
VIII. *Operations Capital Expenditures;*
IX. *Other Capital Expenditures (identify)*
X. *Total Capital Expenditures*

The Information Systems used by OPUCN prior to 2005 did not facilitate the grouping of capital projects which would allow OPUCN to present the information in the format requested in this Interrogatory. The affected entries are shown as "n/a" in the following table.

Financial and Capital Expenditures		Actual					Bridge Year	Test Year	Comments
		2002	2003	2004	2005	2006	2007	2008	
I Net Income	in 000's	2,926	3,093	3,069	3,103	3,849	2,466	2,979	
II Actual Return on Equity %		12.26%	11.70%	10.54%	9.85%	14.09%	8.37%	9.36%	
III Allowed Return on Equity %		9.88%	9.88%	9.88%	9.88%	9.00%	9.00%	8.79%	
IV Retained Earnings	in 000's	23,863	26,431	29,119	31,502	27,315	29,451	31,819	
V Dividends to Shareholders (Declared)	in 000's	0	525	1,000	720	8,036	0	0	
VI Sustainment Capital Expenditures		n/a	n/a	n/a	4,967,274	3,955,033	5,928,808	6,738,417	Enhancement
VII Development Capital Expenditures		n/a	n/a	n/a	183,060	(93,631)	1,132,383	925,002	Expansion/ Connections/ Capacity Requirements
VIII Operations Capital Expenditures		n/a	n/a	n/a	1,442,025	550,280	1,513,243	2,208,425	Meter/ Fleet/ Equipment & Office
IX Other Capital Expenditures (identify)		0	0	0	0	0	0	0	
X Total Capital Expenditures		0	0	0	6,592,359	4,411,682	8,574,434	9,871,844	

Capital expenditure figures are low for 2006 because the bulk of work done consisted of two projects: building a new 401 interchange at Stephenson Road for the Ministry of Transport for Ontario, and building the GM Sports Centre for the City of Oshawa. Completing these projects required the commitment of the majority of OPUCN resources for the entire year so other capital projects planned were delayed to 2007 and 2008. Both of these 2006 projects were paid for with contributed capital from the customers involved and so they are not reflected Capital Expenditures for 2006.

9. *Reference: Annual Report 2006, p13 review of Reliability Statistics.*

Please provide the following:

a. *A listing of all the Service Reliability Indicators used, and their actual values for each of the years 2002 through 2006, and indicate the target that the utility is seeking to maintain;*

Reliability Indices			
	SAIDI	**SAIFI**	**CAIDI**
2002	1.707	1.422	1.201
2003	1.505	1.221	1.233
2004	6.720	4.761	1.411
2005	1.122	1.142	0.982
2006	2.268	1.289	1.760
Recent 3 yrs Average	3.37	2.40	1.38
OPUCN Target	less than 65 min	less than 1	less than 65 min

b. *Indicate whether there is any relationship between the indicators and the capital expenditure program;*

c. *Indicate which capital expenditure programs are responsive to the indices which are outside of the recent three year average.*

The following explanation is in response to parts b) and c) of this question.

Reliability is a measure of how well a system performs its expected function. Another system characteristic that is closely associated with reliability is adequacy. A system is adequate if it has sufficient resources to perform its function.

OPUCN targets to maintain SAIDI less than 65 min, SAIFI less than 1 and CAIDI less than 1. OPUCN uses reliability indices to track the performance of service that it provides to customers. Faults on the distribution system cause the majority of the extended interruptions that affect reliability statistics. At OPUCN, reliability assessments are crucial for long-term and short term system planning and maintenance activities. Reliability indices are also critical to system operators in making decisions for short-term and daily operations.

OPUCN's capital expenditure program is designed to meet the targeted reliability indices. Capital investment programs such as: SCADA upgrade and fiber connect; the pole testing and replacement program; the proposed new Municipal Substation; distribution line(s) rebuild and upgrade; underground cable replacement; breaker replacement; replacement of mechanical relays with numerical relays; and, purchase of equipment such as infrared cameras, power quality analyzer etc have direct effects on reliability indices. These investments will provide improved functionality to keep system down time to a minimum, ensure adequate distribution system infrastructure capacity for reliable supply, provide better customer services and satisfaction, and ensure safe and reliable operation of the system.

10. <u>Reference Exhibit 2-3-1</u>

For each of the years 2006, 2007 and 2008, please provide:

a. *A table of capital expenditures on a project basis, which exceed the materiality threshold, and a subtotal for these for each year;*

b. *The total of the capital expenditures which are beneath the materiality threshold;*

c. *The total capital expenditure (all projects in a) and b)*

2006 Actual

Project Description	USoA Account	Expansion or Enhancement	Amount	Number of Projects
All Projects *			**4,411,526**	**185**
Total			**4,411,526**	**185**

**** No one Project is over Threshold (Materiality 1% of Net Fixed Assets)***

2007 Bridge

Project Description	USoA Account	Expansion or Enhancement	Amount	Number of Projects
C07-200 Overhead Pole Replacement Program	1835	**Enhancement**	**545,400**	**1**
C07-204 Overhead circuit upgrade Conlin Rd, Durham College, to Wilson Road.	1835	**Enhancement**	**729,000**	**1**
Total Projects over Materiality (more than 1% of Total Net Fixed Assets)			**1,274,400**	**2**
Projects under Materiality (less than 1% of Total Net Fixed Assets)			**7,300,035**	**121**
Total			**8,574,435**	**123**

2008 Test

Project Description	USoA Account	Expansion or Enhancement	Amount	Number of Projects
2008 Overhead Pole Replacement Program	1835	**Enhancement**	**550,000**	**1**
Building of New MS Substation MS#9	1820	**Enhancement**	**2,000,000**	**1**
C07-901 Scada System Upgrade	1975	**Capital Equipment**	**498,000**	**1**

Total Projects over Materiality (more than 1% of Total Net Fixed Assets)			**3,048,000**	**3**
Projects under Materiality (less than 1% of Total Net Fixed Assets)			**6,823,844**	**20**
Total			**9,871,844**	**23**

2009 (to May 1, 2009)

Project Description	**USoA Account**	**Expansion or Enhancement**	**Amount**	**Number of Projects**
Projects under Materiality (less than 1% of Total Net Fixed Assets)			**1,121,501**	**24**
Total			**1,121,501**	**24**

**** No one Project is over Threshold (Materiality 1% of Net Fixed Assets)***

d. *Please indicate, for each of the years 2006, 2007, 2008 of the Capital expenditures budgets summary produced according to a, b and c above,*

I. *How would the table be adjusted if the budget were required to be reduced by 25%?*

II. *What would be the consequences of the adjustment on each of the programs?*

If the capital budgets for 2007 and 2008 were to be reduced by 25%, several capital expenditure programs at OPUCN would be affected. The following table shows where the adjustments would have to be made and the consequences to the distribution system of making them. It is not possible at this point to reduce the 2006 capital budget.

Projects 2008 Test Year	USof A	Description	Amount	Consequences
Bar Coding	1935	Capital Equipment	125,000	Will not be able to achieve efficiencies from the implementation of the proposed new stores inventory management system.
GP Budget Tool	1925	Capital Equipment	20,000	Information systems for management adversely impacted resulting in improper or delayed management decisions.
GP Account Changer Tool	1925	Capital Equipment	2,000	.
Power gates	1915	Capital Equipment	40,000	Security concerns for staff and assets. Will not meet efficiencies for staff productivity (if continue with manual opening/closing gates).
GP Reconciler	1925	Capital Equipment	2,000	Information systems for management adversely impacted resulting in improper or delayed management decisions.
Dell Workstation Replacement Two per Month	1920	Capital Equipment	36,000	Will not meet efficiencies for Staff productivity.
Automatic External Defibrillators (15)	1915	Capital Equipment	30,425	Staff and public emergency concerns compromised..
A/C installed in MS10	1820	Capital Equipment	21,000	It is necessary provide fresh air system in the substations or heat in stations from equipments will become a health and safety concern for Staff and could effect service due to equipment breakdown.
A/C installed in MS15	1820	Capital Equipment	23,000	
Colour Printer, fax ,copy unit	1915	Capital Equipment	5,000	Continue productivity of Staff concerns as unit in Technical/ Meter Services Department as old equipment breaks down frequently and staff must leave the work area to access equipment. Could also lead to slower service response as to customer requirements.
Dock upgrade and repair	1915	Capital Equipment	40,000	Safety and health concerns. The old dock requires upgrade and parts replaced. Efficiency of Staff compromised as dock cannot be properly utilized for receipt and pick up of equipment and inventories.
Desks/Chairs Miscellaneous	1915	Capital Equipment	5,000	Health and safety of Staff and customers (ergonomic consideration).
Distribution Reno/Work Stalls	1915	Capital Equipment	50,000	Staff does not have proper work areas to perform duties. Productivity and efficiency suffer as a result.

Photo Copier/Printer	1915	Capital Equipment	30,000	No photo copier exists in Distribution Department and the printer needs replacement. This results in staff needing to leave their work area to access needed equipment. There is a concern that this could lead to slower service response as to customer requirements.
Power circuit Analyzer	1945	Capital Equipment	30,000	This unit needed to address customer concerns as to power supply inconsistencies.
2008 New MS12 land Purchase	1805	Expansion	250,000	Will not meet future expansion requirements from development growth in North Oshawa.
2008 Vehicle	1930	Vehicles	350,000	Will not be able to take old truck out of service. Result will be increasing repair and maintenance costs and disruptions from breakdown of vehicle (staff utilization effected).
2008 Metering-Polyphase Meter Purchase and Install	1860	Meters	375,000	Cannot implement requirement for Smart Meter investment in 2008.
Upgrade and re-wire electrical service in main office	1810	Leasehold Improvements	25,000	After delaying needed repairs and upgrades till signing of new 5 year lease in 2007, OPUCN is now commencing expenditures. These leasehold improvements are to address important safety and efficiency concerns. Continued delay in these improvements will affect worker environment and raises concerns as to productivity and health issues which could arise due to the condition of the buildings.
Renovations Distribution Building -Leasehold Improvements	1810	Leasehold Improvements	**130,000**	
Main office Building Washroom Refurbish (4)	1810	Leasehold Improvements	**40,000**	
T&D Building Renovate/ Expand/ Washroom - Leasehold Improvements	1810	Leasehold Improvements	**40,000**	
Bagot St. Yard - Replace Fencing (Security Concern)	1810	Leasehold Improvements	50,000	
Lower basement tidy up paint and flooring	1810	Leasehold Improvements	5,000	

Energy efficient lighting retro fit main office	1810	Leasehold Improvements	10,000	
Loading Dock - Repair and Refurbish	1810	Leasehold Improvements	10,000	
Garage - Upgrade Lighting and Insulation	1810	Leasehold Improvements	50,000	
Distribution Building - Rooftop Air condition Replacement	1810	Leasehold Improvements	20,000	
2008 Pole Replacement Program	1835	Enhancement	275,000	Not identifying and replacing near edged poles at an early stage will cause emergency work for unexpected pole failure, outage to the customers and will jeopardize public and employee safety. Power supply reliability and safety will be affected with increased outage duration and frequency.
Acting on Pole Test Results with Treatment or Replacement	1835	Enhancement	100,000	
2008 Substation Transformer Oil Containment Program	1820	Enhancement	100,000	In the event of a tank rupture, the oil must be safely contained to minimize the risk of fire and prevent the offsite migration of oil to meet with the present environmental requirements.
2008 Feeder Pothead PILC Replacement	1835	Enhancement	100,000	Potheads are normally porcelain and have been largely replaced with non-ceramic, synthetic rubber terminators to avoid rupture and address major safety and reliability concerns.
Total			**2,389,425**	

11. Ref: Exhibit 4, Tab 2, Schedule 7, page 2

The total Depreciation Expense for 2008 is shown as $6,489,170. However in Exhibit 7, Tab 1, Schedule 1, page 2, the amount for Depreciation & Amortization is shown as $ 4,395,489. Please reconcile the difference in the two values.

The two tables below show details of the calculations for Depreciation Expense as reflected in Exhibit 4 Tab 2 Schedule 7 Page 2, and Exhibit 7 Tab 1 Schedule 1 Page 2. An account example is included with each table to provide further information as to how depreciation is calculated for that table.

Calculations for Exhibit 7 Tab 1 Schedule 1, page 2

The table in Exhibit 7 Tab 1 Schedule 1 Page 2 calculates depreciation expense, including the beginning Net Present Value, Capital Additions (using the half year rule), and offsets for fully depreciated assets. The deprecation expense calculated using this method is the amount used in the calculation of Service Revenue Requirement for this rate application.

	2007 Bridge	2008 Test	Variance from 2007 Bridge
	($'s)	($'s)	
Land and Buildings			
1805-Land-Depreciation	-	-	-
1806-Land Rights-Depreciation	-	-	-
1808-Buildings and Fixtures-Depreciation	(283,780)	(292,796)	(9,016)
1905-Land-Depreciation	-	-	-
1906-Land Rights-Depreciation	-	-	-
1810-Leasehold Improvements-Depreciation	(7,000)	(60,222)	(53,222)
Sub-Total-Land and Buildings	(290,780)	(353,018)	(62,238)
TS Primary Above 50			
1815-Transformer Station Equipment - Normally Primary above 50 kV-Depreciation	-	-	-
Sub-Total-TS Primary Above 50	-	-	-
DS			
1820-Distribution Station Equipment - Normally Primary	(6,827,954)	(7,196,434)	(368,480)

below 50 kV-Depreciation			
Sub-Total-DS	(6,827,954)	(7,196,434)	(368,480)
Poles and Wires			
1830-Poles, Towers and Fixtures-Depreciation	-	-	-
1835-Overhead Conductors and Devices-Depreciation	(20,427,017)	(21,772,329)	(1,345,312)
1840-Underground Conduit-Depreciation	-	-	-
1845-Underground Conductors and Devices-Depreciation	(21,581,712)	(23,560,440)	(1,978,728)
Sub-Total-Poles and Wires	(42,008,729)	(45,332,769)	(3,324,040)
Line Transformers			
1850-Line Transformers-Depreciation	(12,316,555)	(12,776,397)	(459,842)
Sub-Total-Line Transformers	(12,316,555)	(12,776,397)	(459,842)
Services and Meters			
1855-Services-Depreciation	-	(667)	(667)
1860-Meters-Depreciation	(4,781,366)	(5,062,535)	(281,169)
2005-Smart Meters-Adjustments	-	-	-
Sub-Total-Services and Meters	(4,781,366)	(5,063,202)	(281,836)
General Plant			
1908-Buildings and Fixtures-Depreciation	7,025	7,163	138
1910-Leasehold Improvements-Depreciation	(44,642)	(63,764)	(19,121)
Sub-Total-General Plant	(37,617)	(56,601)	(18,984)
IT Assets			
1920-Computer Equipment - Hardware-Depreciation	(1,845,066)	(1,900,098)	(55,033)
1925-Computer Software-Depreciation	(181,794)	(262,794)	(81,000)
Sub-Total-IT Assets	(2,026,860)	(2,162,892)	(136,033)
Equipment			

1915-Office Furniture and Equipment-Depreciation	(603,417)	(648,759)	(45,342)
1930-Transportation Equipment-Depreciation	(2,591,456)	(2,891,508)	(300,052)
1935-Stores Equipment-Depreciation	(23,481)	(29,846)	(6,365)
1940-Tools, Shop and Garage Equipment-Depreciation	(590,656)	(626,486)	(35,830)
1945-Measurement and Testing Equipment-Depreciation	(121,723)	(123,523)	(1,800)
1950-Power Operated Equipment-Depreciation	-	-	-
1955-Communication Equipment-Depreciation	(257,778)	(349,901)	(92,123)
1960-Miscellaneous Equipment-Depreciation	(1,429)	(3,758)	(2,329)
Sub-Total-Equipment	(4,189,940)	(4,673,781)	(483,840)
Other Distribution Assets			
1825-Storage Battery Equipment-Depreciation	-	-	-
1970-Load Management Controls - Customer Premises-Depreciation	(107,035)	(107,035)	0
1975-Load Management Controls - Utility Premises-Depreciation	(598,167)	(630,209)	(32,042)
1980-System Supervisory Equipment-Depreciation	(265,156)	(270,320)	(5,163)
1985-Sentinel Lighting Rental Units-Depreciation	-	-	-
1990-Other Tangible Property-Depreciation	-	-	-
1995-Contributions and Grants - Credit-Depreciation	3,055,955	3,832,964	777,009
Sub-Total-Other Distribution Assets	2,085,597	2,825,401	739,803
ACCUMULATED DEPRECIATION TOTAL	(70,394,204)	(74,789,694)	(4,395,490)

The following example for account 1835-Overhead Conductors and Devices-Depreciation illustrates the details of this calculation.

ACCUMULATED DEPRECIATION	2007 Bridge ($'s)	2008 Test ($'s)	Variance form 2007 Bridge
Poles and Wires			

1830-Poles, Towers and Fixtures-Depreciation	-	-	-
1835-Overhead Conductors and Devices-Depreciation	**(20,427,017)**	**(21,772,329)**	**(1,345,312)**
1840-Underground Conduit-Depreciation	-	-	-
1845-Underground Conductors and Devices-Depreciation	(21,581,712)	(23,560,440)	(1,978,728)
Sub-Total-Poles and Wires	(42,008,729)	(45,332,769)	(3,324,040)

	Full Value	Full Value/ Half Year Rule	Deprn Rate	Depreciation
Gross Asset	41,005,209.00	41,005,209.00	4%	1,640,208.36
Additions	3,253,678.00	1,626,839.00	4%	65,073.56
Fully Depreciated Asset	(17,998,478.00)	(8,999,239.00)	4%	(359,969.56)
	26,260,409.00	33,632,809.00	4%	**1,345,312.36**

Calculations for Exhibit 4 Tab 2 Schedule 7 Page 2

Exhibit 4 Tab 2 Schedule 7 Page 2 calculates estimated depreciation values which would be used for accounting or financial management purposes and which would appear on internal financial statements. The value is not used for the calculation of the Service Revenue Requirement for this rate application. It has been presented in this format to allow Board staff to confirm that OPUCN utilizes OEB Accounting Policy Handbook and CICA accepted depreciation rates.

		2008 Test		
No.	Asset Description	Gross Assets	Depr Rate	Depr Expense
1565	Conservation & Demand Mgt. Exp. & Recoveries	-	4%	-
1805	Land	543,875	0%	-
1806	Land Rights	-	4%	-
1808	Buildings and Fixtures	534,820	2%	10,696
1810	Leasehold Improvements	462,220	20%	92,444
1815	Transformer Station Equipment	-	3%	-
1820	Distribution Station Equipment	14,321,662	3%	476,911

1825	Storage Battery Equipment-Closing Balance	-	0%	-
1830	Poles, Towers and Fixtures	-	4%	-
1835	Overhead Conductors and Devices	44,258,887	4%	1,770,355
1840	Underground Conduit	-	4%	-
1845	Underground Conductors and Devices	51,157,929	4%	2,046,317
1850	Line Transformers	15,839,790	4%	633,592
1855	Services	33,333	4%	1,333
1860	Meters	9,088,826	4%	363,553
1905	Land	-	0%	-
1906	Land Rights	-	4%	-
1908	Buildings and Fixtures	(6,888)	2%	(138)
1910	Leasehold Improvements	125,275	20%	25,055
1915	Office Furniture and Equipment	1,053,651	10%	105,365
1920	Computer Equipment - Hardware	1,992,966	20%	398,593
1925	Computer Software	310,244	50%	155,122
1930	Transportation Equipment	3,894,261	20%	778,852
1935	Stores Equipment	149,516	10%	14,952
1940	Tools, Shop and Garage Equipment	867,534	10%	86,753
1945	Measurement and Testing Equipment	152,828	10%	15,283
1950	Power Operated Equipment	-	13%	-
1955	Communication Equipment	667,585	20%	133,517
1960	Miscellaneous Equipment	32,290	10%	3,229
1965	Water Heater Rental Units	-	10%	-
1970	Load Management Controls - Customer Premises	107,035	10%	10,703
1975	Load Management Controls - Utility Premises	1,143,308	10%	114,331
1980	System Supervisory Equipment	293,582	10%	29,358
1985	Sentinel Lighting Rental Units-		10%	

	Closing Balance	-		-
1990	Other Tangible Property-Closing Balance	-	0%	-
1995	Contributions and Grants - Credit	(19,425,220)	4%	(777,009)
2005	Smart Meters	-	4%	-
	GROSS ASSET TOTAL	127,599,312	5%	6,489,170

The example below for account 1835 – overhead conductors and devices is provided to illustrate details of the calculation.

		2008 Test		
		Gross Assets	Depr Rate	Depr Expense
1835	Overhead Conductors and Devices	44,258,887	4%	**1,770,355**

Gross Asset 1 Jan 07	38,274,196		
Additions 2007	2,731,013		
Additions 2008	3,253,678		
Gross Asset Value 31 Dec 08	44,258,887	4%	**1,770,355.48**

$44,258,887 x 4% = $1,770,355.48

12. Ref 1): Exhibit 2, Tab 3, Schedule 1, page 3
Ref 2): Appendix D (Kinectrics' report) page 1, under point 4

Kinectrics has generally concluded that the capital replacement plan is keeping up with the ageing of equipment, but that in future it will need to be increased as more equipment reaches the end of its life

OPUCN provides this summary of enhancement activity to inform the following discussion.

		System Planning		Reliability/ Safety		Individual/ Special Projects		Total	
2006	Enhancement	23,724	1	3,905,888	79	25,342	2	3,955,033	82
2007	Enhancement	2,706,942	27	3,496,893	44	0	0	6,203,906	71
2008	Enhancement	3,484,526	8	2,965,994	23	0	0	6,450,551	31

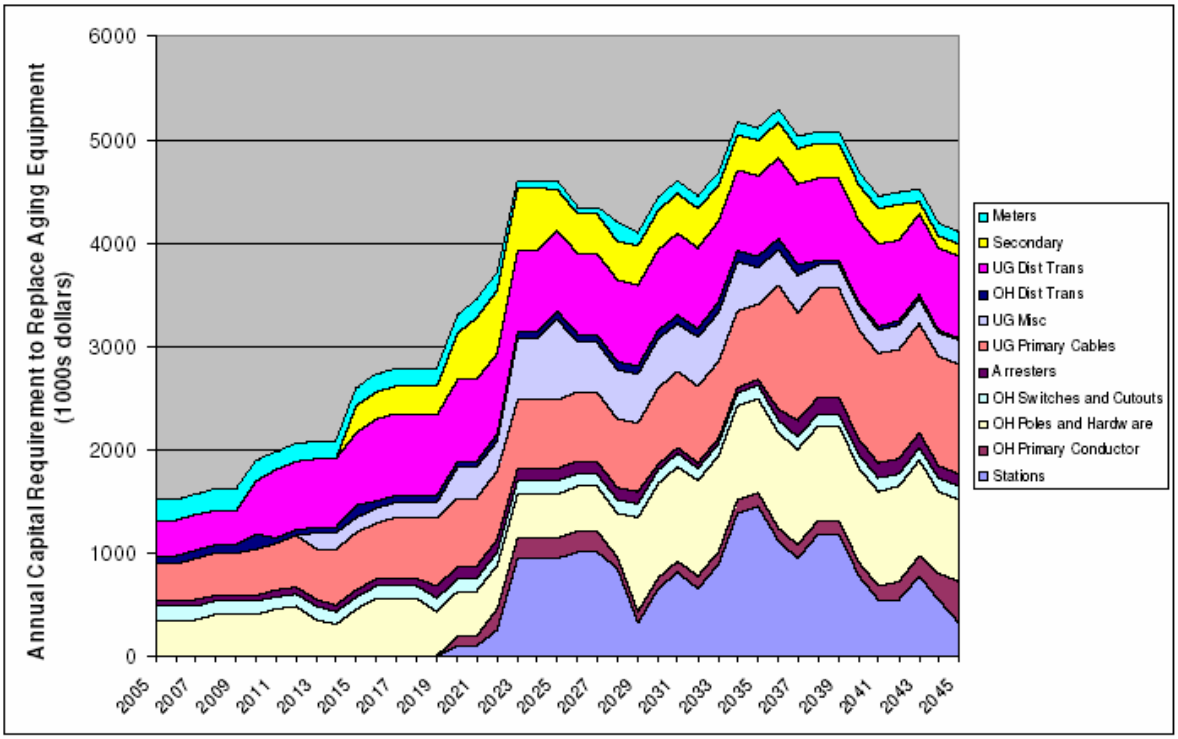
a. *Please explain why the enhancement activity under Reliability and Safety is not increasing over the years 2006 through 2008 to deal with current replacements, but the enhancement activity under System Planning category increases very significantly (2006: $23,724, 2007: $2,706,942 and 2008: $3,484,526).*

At OPUCN, Reliability and Safety and System Planning activities are closely inter-related.

Load growth in the northern are of Oshawa is expected to increase due to increased demand from the Ontario University Institute of Technology and the future expansion of Highway 407 to pass through the northern part of the city. The demand growth will require safe and reliable distribution network to meet the future demand. OPUCN's budget for the years 2007 and 2008 reflects this philosophy and addresses system planning and reliability at same time.

A few examples of system planning activities for the years 2007 and 2008 are the rebuild and upgrade of existing lines to meet the increased demands imposed by growth, the 401 crossing rebuild and upgrade, and new lines for the required new MS. Failure to proceed with these system planning projects would result in failure to meet the load growth and loading existing facilities beyond ratings. This would impact system reliability and safety. Loading the existing facilities beyond ratings would also increase distribution system losses and adversely impact voltage regulation.

The Enhancement budget is shown in the table above. The Enhancement budget is divided between the System Planning and Reliability and Safety categories. OPUCN's replacement plan for the aging equipment, and reliability centered maintenance plan is based on the Kinetrics report and study. A graph from Kinetrics showing annual capital requirement to replace aging equipment is shown below.



b. Discuss the timing of the capital investments being made in the area of enhancements over the years 2006 through 2008, and relate it to Kinetric's conclusion that "Over the next twenty years the budget is predicted to increase by three million dollars".

The three million dollars mentioned in the Kinectrics report is for baseline maintenance of the system and does not include necessary enhancement and expansion projects required to meet the demands of system growth. This baseline maintenance includes activities such as substation grounding, oil containment at substations, replacement of the feeder pothead, replacement of electromechanical relays, replacement of circuit breaker at stations, major overhaul and refurbishment of the station transformer, replacement of the old underground primary cable, substation transformer tap changer replacement, and upgrade of underground Vaults. These maintenance programs are undertaken based on performance monitoring performed by OPUCN field staff and are prioritize based on their impact on system reliability and public and employee safety. The detailed list of the different enhancement activities are listed under each year's project list, which are in line with the Kinetric Study report and recommendations. OPUCN continuously maintains and tracks system outages to identify major fault locations and equipment performance. OPUCN analyses the root causes of faults and takes the action to avoid outages by implementing proper investigation and replacement/maintenance

plans in a cost effective manner. To maintain safe and reliable delivery of power to Oshawa citizens, OPUCN has targeted baseline investment of approximately four million dollars per year.

OPERATING REVENUE

13. Ref: Exhibit 3/ Tab 2/ Schedule 5/ Pages 3 and 4

In Schedule 5, page 3, the Applicant presents "kWh per Customer" for each of the years 2002 to 2006, and the average value for this five year period. In Schedule 5, page 4, the Applicant then multiplies the five year average value by the "HONI Factor for Normalization" to obtain the "Normalized kWh per Customer". If a weather normalization factor were used for years other than that for which the factor was developed, a significant error can result. Please:

a. *Identify the source of the "HONI Factor for Normalization" utilized by the Applicant and provide a copy of the supplier's source documentation,*

The "HONI Factor for Normalization" is the factor used by Hydro One Networks Inc (HONI) to calculate weatherized load data for the Cost Allocation Study. The following is a quotation from the documentation supplied by HONI as part of the explanation contained in the document "Methodology to Prepare Utility-Specific Load Shapes" which was supplied by HONI to all participants in the study.

"Hydro One weather correction methodology for total utility load and by rate class:

- **Hydro One weather correction method, which was approved by the OEB in its 2006 EDR application, uses 4 years of daily load and weather data to establish the relationship between weather and load and the average of 31 years of weather data to define typical weather conditions.**

- Weather variables used in the weather correction analysis include temperature, wind speed, cloud cover and humidity. In addition to temperature, wind speed is important in the winter months, while humidity is important for the summer months.

- Estimation of space heating and cooling loads for residential customers makes use of generic load shapes and appliance saturation estimates.

- Estimation of space heating and cooling loads for general service customers makes use generic load shapes and industry classification." [emphasis added]

b. *Clarify if the factor was specifically developed by the supplier as the average weather normalization factor for the 2002 – 2006 period or if the normalization factor was developed for one particular year (e.g. 2004),*

The weather normalization is based on 31 years of weather data, suggesting that it is applicable for several years. OPUCN assumes that the use of such a long historical period results in as accurate a factor as possible.

c. *If the Applicant modified the source factor in any way, explain fully the modifications that were made and the rationale employed, and*

No modifications were made in the factors used.

d. *If the factor was developed for one particular year, explain the Applicant's rationale for using a factor developed in recognition of the unique weather conditions of one particular year, and applying it to other years which would likely have quite different weather characteristics.*

Please see question c above.

14. *Ref: Exhibit 3/Tab 2/Schedule 5/pp4-5 and Exhibit 3/ Tab 2/Schedule 6/ pp1-2*

In Schedule 5, page 4, the Applicant determines "Normalized kWh per Customer" which is shown to be the arithmetic average kWh value for the 2002 – 2006 period. In Schedule 6, pages 1 and 2, the Applicant presents various data including "2008 Test (kWh)" (i.e. the 2008 energy forecast) and this appears to have been calculated by multiplying the "Normalized kWh per Customer" value by the forecasted number of customers in 2008.

a. *Please verify that the above captures the essence of the Applicant's energy forecast calculation.*

This is the essence of the calculation which was used. The only added factor is the fact that the average was normalized by using the HONI normalization factor.

b. *Please explain in detail why OPUCN has assumed 2008 use per customer to be the same as the average of 2002 to 2006 use per customer in preparing its Load forecast?*

Please see the discussion for Question 15 for an alternative method of weather normalizing the load forecast.

However, in order to more fully explain the reasons for using the method described in the application, OPUCN submits the following answers for questions 14 (a) and 14(b).

OPUCN believes that averaging consumption over this period would be the most accurate method available for smoothing local usage patterns. The identified drivers for change would be weather factors and the results of various conservation and demand management programs. OPUCN used the HONI weather normalization factor when preparing the customer averages consumption figures and believes that, since the factor was calculated using 31 years of weather history, that factor would affect load forecasts similarly in 2008 to an average from 2002 to 2006. Attempts to reliably identify significant consumption pattern changes due to conservation and demand management initiatives were not successful. OPUCN believes that this means that, so far, conservation initiatives have not made much difference overall in the behaviour of our customers. The hope is that this behaviour will change measurably with the introduction of smart meters in our service territory.

c. *In OPUCN's view, does this method of load forecasting ignore any changes in volume due to changes in use per customer? If yes, then please explain in detail, how OPUCN proposes to address this issue in its load forecast. If the answer is no, then please provide a detailed explanation supporting OPUCNs response.*

OPUCN believes that averaging consumption over the period of 2002 through 2006 accounts for changes in volume due to changes in use per customer by "smoothing" any consumption variations over the period.

15. *Ref: Exhibit 3/ Tab 2/Schedule 5/ pp 2-5 and Exhibit 3/ Tab 2/Schedule 6/ pp 1-2*

In Schedule 5, page 4, the Applicant presents the "Normalized kWh per Customer" which, as outlined in the previous interrogatories, did not appear to adequately weather-normalize the energy usage in historical years and did not allow for the possible change in energy usage per customer over the 2002 – 2008 period. The lack of details regarding the forecasting method employed by the Applicant does not permit an independent assessment of its forecast. Please file a data table:

Please note that OPUCN has chosen to present the answer to part (b) before part (a). We believe that this will make the commentary easier to understand.

b) Including weather normalized kWh data for the historical years 2002 to 2006 (NB the annual weather normalization approximation factors published by the IESO would be adequate for the weather normalization calculation and may be used if desired),

Oshawa is proposing an updated load forecast for rate application consideration. Hydro One was able to provide OPUCN with weather correction factors for each month in 2006 by rate class which have been used to calculate normalized forecasted load. We have determined the weather sensitive load of each customer class by starting with customer class wholesale kWh's by month and applying the respective Hydro One weather correction factors. The class weather normal retail kWh for 2006 is determined by dividing the class weather normal wholesale kWh for 2006 by the class loss factor. The normalized average use per customer ("retail NAC") is calculated by dividing the class weather normal retail kWh for 2006 by the number of customers in the class in 2006.

Weather sensitive class weather actual wholesale and retail kWh and associated loss factors are reported in the table below. Although Sentinel, USL, and Street Lighting classes are not weather sensitive the same methodology was used to develop a load forecast for those classes.

2006 Weather Actual kWh and Loss Factor for Weather Sensitive Load for OPUCN			
Class	**Weather Normalized Wholesale kWh**	**Weather Normalized Retail kWh**	**Loss Factor**
RESIDENTIAL	496,008,240	473,923,409	1.0466
GENERAL SERVICE			
Less than 50 kW	138,646,913	132,473,641	1.0466
Other > 50 kw > 1000 kw	375,184,181	358,479,057	1.0466

Intermediate Use (1000 - 5000 kW)	106,836,508	102,079,599	1.0466
Large Use (> 5000 kW)	62,375,243	62,095,812	1.0045
Unmetered Scattered Load	3,678,768	3,514,970	1.0466
Sentinel Lighting	42,715	40,813	1.0466
Street Lighting	8,357,531	7,985,411	1.0466
TOTALS	1,191,130,099	1,140,592,712	

The table below reports weather sensitive class wholesale weather normal kWh, number of customers, and retail NAC for 2006.

Class	**Weather Normal Retail kWh (2006)**	**Customer Connections (2006)**	**Retail NAC**
RESIDENTIAL	473,923,409	45,961	10,311
GENERAL SERVICE			
Less than 50 kW	132,473,641	3,733	35,487
Other > 50 kw > 1000 kw	358,479,057	522	686,741
Intermediate Use (1000 - 5000 kW)	102,079,599	9	11,342,178
Large Use (> 5000 kW)	62,095,812	2	31,047,906
Unmetered Scattered Load	3,514,970	301	11,678
Sentinel Lighting	40,813	77	530
Street Lighting	7,985,411	10,961	729
TOTALS	1,140,592,712	61,566	43,135,560

Annual class kWh for the 2007 Bridge Year and 2008 Test Year are calculated by multiplying retail NAC by forecast number of customers in class.

The following table summarizes the results of The Applicant's customer and load forecast.

Normalized Volume Forecast Table

Class	2006 Board Approved (kWh)	2006 Board Approved (kW)	2006 Actual (kWh)	2006 Actual (kW)	Variance from 2006 Board Approved	2006 Actual (kWh)	2006 Actual (kW)	2006 Normalized (kWh)	2006 Nonalized (kW)	Variance from 2006 Actual
Rate Classes										
RESIDENTIAL	473,481,804	0	466,443,961	0	(7,037,843)	466,443,961	0	473,971,802	0	7,527,841
GENERAL SERVICE										
Less than 50 kW	135,617,463	0	134,155,770	0	(1,461,693)	134,155,770	0	136,004,749	0	1,848,979
Other > 50 kw > 1000 kw	311,047,852	895,054	357,086,593	893,941	(1,113)	357,086,593	893,941	358,858,375	893,941	0
Intermediate Use (1000 - 5000 kW)	112,199,252	182,908	80,518,764	171,299	(11,609)	80,518,764	171,299	80,553,156	171,299	0
Large Use (> 5000 kW)	96,400,490	208,230	59,654,446	141,375	(66,855)	59,654,446	141,375	60,139,982	140,182	(1,193)
Unmetered Scattered Load	2,899,511	0	2,205,188	0	(694,323)	2,205,188	0	3,791,558	0	1,586,370
Sentinel Lighting	42,103	174	43,597	139	(35)	43,597	139	40,813	139	0
Street Lighting	7,606,205	13,291	9,354,928	24,663	11,372	9,354,928	24,663	9,477,128	24,663	0

Class	2006 Normalized (kWh)	2006 Nonalized (kW)	2007 Bridge (kWh)	2007 Bridge (kW)	Variance from 2006 Normalized	2007 Bridge (kWh)	2007 Bridge (kW)	2008 Test (kWh)	2008 Test (kW)	Variance from 2007 Actual
Rate Classes										

RESIDENTIAL	473,971,802	0	480,582,101	0	6,610,299	480,582,101	0	487,192,399	0	6,610,298
GENERAL SERVICE										
Less than 50 kW	136,004,749	0	138,026,786	0	2,022,037	138,026,786	0	140,097,188	0	2,070,402
Other > 50 kw > 1000 kw	358,858,375	893,941	358,858,375	893,941	0	358,858,375	893,941	358,858,375	893,941	0
Intermediate Use (1000 - 5000 kW)	80,553,156	171,299	71,961,423	152,266	(19,033)	71,961,423	152,266	80,956,601	171,299	19,033
Large Use (> 5000 kW)	60,139,982	140,182	60,139,982	140,182	0	60,139,982	140,182	60,139,982	140,182	0
Unmetered Scattered Load	3,791,558	0	3,829,348	0	37,790	3,829,348	0	3,841,944	0	12,596
Sentinel Lighting	0	139	40,813	139	0	40,813	139	40,813	139	0
Street Lighting	9,477,128	24,663	9,804,820	25,516	853	9,804,820	25,516	10,072,853	26,213	697

a) Including customer count data for the historical years 2002 to 2006,

Customer Count Forecast for 2007 and 2008

	Number of Customers (Connections)							
	2002 #	**2003** #	**2004** #	**2005** #	**2006** #	**2007** YTD	**2007** #	**2008** #
	Actual	**Actual**	**Actual**	**Actual**	**Actual**		**Projected**	**Forecast**
RESIDENTIAL								
Regular	42,960	43,679	44,280	44,872	45,961	46144	46,602	47,243
GENERAL SERVICE								
Less than 50 kW	3,701	3,677	3,576	3,641	3,733	3743	3,789	3,845
Other > 50 kW (specify) .> 50 kw > 200 kw	501	473	443	452	450	450	450	450
Other > 50 kW (specify) .> 200 kw > 1000 kw	72	72	72	72	72	72	72	72
Intermediate Use (1000 - 5000 kW)	5	5	7	8	9	8	8	9
Large Use (> 5000 kW)	2	2	2	2	2	2	2	2
Unmetered Scattered Load	291	293	295	295	301	301	304	305
Sentinel Lighting	38	81	77	77	77	77	77	77
Street Lighting	9,967	10,072	10,076	10,547	10,961	11268	11,340	11,650
TOTALS	57,537	58,354	58,828	59,966	61,566	62065	62,644	63,653

c) Including 2007 and 2008 customer count forecasts based on the historic customer count trend indicated by the data provided in response to (a) above and supplemented by market analysis on customer count change, and

PerCentage Changes:	Actual	Actual	Actual	Actual	Projected	Forecasted	Actual	Actual	Forecasted
RESIDENTIAL	**2003**	**2004**	**2005**	**2006**	2007	2008	Avg. 03 to 06	Avg. 03 to 05	Avg. 03 to 08
Regular	1.7%	1.4%	1.3%	2.4%	1.4%	1.4%	1.7%	1.46%	1.6%
GENERAL SERVICE									
Less than 50 kW	-0.6%	-2.7%	1.8%	2.5%	1.5%	1.5%	0.2%	-0.5%	0.7%
Other > 50 kW (specify) .> 50 kw > 200 kw	-5.6%	-6.3%	2.0%	-0.4%	0.0%	0.0%	-2.6%	-3.3%	-1.7%
Other > 50 kW (specify) .> 200 kw > 1000 kw	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Intermediate Use (1000 - 5000 kW)	0.0%	40.0%	14.3%	12.5%	-11.1%	12.5%	16.7%	18.1%	11.4%
Large Use (> 5000 kW)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unmetered Scattered Load	0.7%	0.7%	0.0%	2.0%	0.9%	0.4%	0.9%	0.5%	0.8%
Sentinel Lighting	113.2%	-4.9%	0.0%	0.0%	0.0%	0.0%	27.1%	36.1%	18.0%
Street Lighting	1.1%	0.0%	4.7%	3.9%	3.5%	2.7%	2.4%	1.9%	2.6%
TOTALS	12%	3%	3%	3%	-0.4%	2.1%	5.2%	6.0%	3.7%

Annual Change						Annual	Annual	Avg 2002	Avg 2003
RESIDENTIAL	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	to 2006	to 2005
Regular		719	601	592	1,089	641	641	750	637
GENERAL SERVICE		0	0	0	0	0	0	0	0
Less than 50 kW		-24	-101	65	92	56	56	8	-20
Other > 50 kW (specify) .> 50 kw > 200 kw		-28	-30	9	-2	0	0	-13	-16
Other > 50 kW (specify) .> 200 kw > 1000 kw		0	0	0	0	0	0	0	0
Intermediate Use (1000 - 5000 kW)		0	2	1	1	-1	1	1	1
Large Use (> 5000 kW)		0	0	0	0	0	0	0	0
Unmetered Scattered Load		2	2	0	6	3	1	3	1
Sentinel Lighting		43	-4	0	0	0	0	10	13
Street Lighting		105	4	471	414	379	310	249	193
									0
TOTALS		817	474	1,138	1,600	1,077	1,009	1007	810

d) Including 2007 and 2008 kWh energy forecasts based on the historical energy usage trend indicated by the data provided in response to (a), (b) and (c) above.

	Number of Customers (Connections)						
	2002	2003	2004	2005	2006	2007	2008
	#	#	#	#	#	#	#
RESIDENTIAL	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Bridge**	**Test**
Regular **GENERAL SERVICE**	42,960	43,679	44,280	44,872	45,961	46,602	47,243
Less than 50 kW	3,701	3,677	3,576	3,641	3,733	3,789	3,845
Other > 50 kW (specify) .> 50 kw > 200 kw	573	545	515	524	522	522	522
Intermediate Use (1000 - 5000 kW)	5	5	7	8	9	8	9
Large Use (> 5000 kW)	2	2	2	2	2	2	2
Unmetered Scattered Load	291	293	295	295	301	304	305
Sentinel Lighting	38	81	77	77	77	77	77
Street Lighting	9,967	10,072	10,076	10,547	10,961	11,340	11,650
TOTALS	57,537	58,354	58,828	59,966	61,566	62,644	63,653

	kWh per Customer Class						
	2002	2003	2004	2005	2006	2007 *Bridge*	2008 *Test*
	Normalized Historic kWh Data	*Normalized Historic kWh Data*	*Normalized Historic kWh Data*	*Normalized Historic kWh Data*	*Normalized Historic kWh Data*	*Normalized Historic kWh Data*	*Normalized Historic kWh Data*
RESIDENTIAL							
Regular **GENERAL SERVICE**	443,448,581	476,391,692	453,399,326	491,692,409	471,890,006	491,019,690	497,773,555
Less than 50 kW	138,769,799	146,600,983	131,421,381	137,386,526	134,822,055	141,649,663	143,774,408
Other > 50 kW (specify) .> 50 kw > 1000 kw	377,241,543	376,612,612	363,546,388	364,990,771	359,972,349	358,737,446	358,737,446
Intermediate Use (1000 - 5000 kW)	41,478,177	39,872,090	65,676,068	70,098,769	80,518,764	71,602,805	80,553,156
Large Use (> 5000 kW)	72,043,337	86,022,772	80,888,648	62,906,838	59,654,446	72,303,208	72,303,208
Unmetered Scattered Load	2,106,777	2,198,851	2,166,588	2,154,487	2,205,188	2,223,622	2,230,937
Sentinel Lighting	25,600	37,376	38,906	39,118	40,719	41,229	41,229
Street Lighting	8,725,336	8,323,170	8,704,191	9,143,960	9,357,806	9,721,448	9,987,202
TOTALS	1,083,839,150	1,136,059,547	1,105,841,495	1,138,412,878	1,118,461,333	1,147,299,111	1,165,401,141

Revenue Offsets

16. *Ref: Exhibit 1, Tab 1, Schedule 17*
The following table was prepared by Board staff to compare the tariff under Specific Service Charges to the final 2007 Tariff of rates and charges for Oshawa PUC Networks Inc.

a. *In the 2007 Board approved tariff, Oshawa PUC has one charge labeled "Credit reference/credit check (plus credit agency costs)". In its present application, Oshawa PUC is seeking two separate charges "Credit Check (plus credit agency charges) and Credit Reference Letter". Please provide an explanation for this change.*

The Credit Reference and the Credit Reference Letter are two separate items. The Credit Reference or Credit Check refers to the process by which customers applying for service can have their credit rating checked by our staff in order to have the deposit requirement waived for their account. The Credit Reference Letter is a letter produced by our staff for a customer who has applied for service with another utility. It gives details of the customer's credit history with OPUCN and is typically provided to assist the customer's new utility in determining whether or not a deposit will be required in the new location.

b. *In the 2007 Board approved tariff, Oshawa PUC has one charge labeled "Disconnect/Reconnect at meter – during regular hours". In its present application, Oshawa PUC is seeking two charges "Disconnect/Reconnect at meter during regular hours including Load Limiters". Please explain why Oshawa PUC is proposing to change the description of those charges to include the words "including Load Limiters".*

The approved tariff charges refer to "Disconnect/Reconnect" and "Install/Remove load device" as specific charge types. Both have the same charge associated with them. OPUCN uses load limiters as control devices in the winter and those situations where actually disconnecting the power would be unsafe. Since the approved rates are the same for each type of disconnect, they are referenced together internally. The internal charge sheet is the one given to customers when they request a listing of charges. It was the internal charge sheet which was submitted with the rate application for 2007 charges.

c. *In the 2007 Board approved tariff, Oshawa PUC has one charge labeled "Disconnect/Reconnect at meter – after regular hours". In its present application, Oshawa PUC is seeking two charges "Disconnect/Reconnect at meter after regular hours including Load Limiters". Please explain why Oshawa PUC is proposing to change the description of those charges to include the words "including Load Limiters".*

Please see the explanation for this situation in section c above.

d. *Please explain the areas where "missing" is noted in the "Per Application" column. If the missing charges have not been excluded in error, please explain why Oshawa PUC wishes to discontinue these charges.*

OPUCN does not wish to discontinue these charges. As noted above, the format used to request the continuation of the charges varied from the format required by the Board. OPUCN regrets this error. The table has been changed to display the preferred format and descriptions.

Specific Service Charges				
2007 Board Approved			**Per Application**	
Customer Administration			Customer Administration	
Credit reference/credit check (plus credit agency costs)	$15.00		Credit Check (plus credit agency charges)	$15.00
			Credit Reference Letter	$15.00
Non-Payment of Account			Non-Payment of Account	
Disconnect/Reconnect at meter - during regular hours	$65.00		Disconnect/Reconnect at meter during regular hours	$65.00
Disconnect/Reconnect at meter - after regular hours	$185.00		Disconnect/Reconnect at meter after regular hours	$185.00
Install/Remove load control device - during regular hours	$65.00		Install/Remove load control device - during regular hours	$65.00
Install/Remove load control device - after regular hours	$185.00		Install/Remove load control device - after regular hours	$185.00

Specific Charge for Access to the Power Poles	22.35		Specific Charge for Access to the Power Poles	22.35
Allowances			Allowances	
Primary Metering Allowance for transformer losses - applied to measured demand and energy	%(1.00)		Primary Metering Allowance for transformer losses - applied to measured demand and energy	%(1.00)
Loss Factors			Loss Factors	
Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0466		Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0466
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0146		Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0146
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0361		Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0361
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0045		Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0045

OPERATING COSTS

Purchase of Service or Products

17. *Ref: Exhibit 4/ Tab 2/ Schedule 5/ Pages 4 & 5*
Pursuant to section 2.5 (Exhibit 4 Operating & Maintenance and Other Costs) of the Filing Requirements for Transmission and Distribution Applications, Distribution expenses incurred through the purchase of services or products must be documented and justified if they are to be recovered as part of the revenue requirement:

For each service, please provide:

a. *An annual dollar amount, in aggregate of transactions.*

b. *A detailed description of the specific methodology used in determining the price (summary of tendering process / summary of cost approach)*

Oshawa PUC Networks Inc.			
2006 Consolidated Purchases Over $50K			
Vendor	**Total Amount**	**Services**	**Pricing Method**
Green-Port Environmental Ltd.	$50,028.30	Disposal of toxic materials	Tender
Kitchen Kitchen Simeson Mcfarlane	$50,081.79	Legal services	Local reputation, pricing standard in market
Dell Computers	$51,950.51		Tender
Bell Canada	$53,585.20	Telephone system	Tender
360 Visibility Inc.	$58,089.83	Financial support software	Quote
Guthrie Insurance Brokers Ltd.	$61,188.48	Property insurance	Quote
Alex Irvine Motors Ltd.	$63,697.40	Dump truck purchase	Tender
Utility Solutions Corporation	$67,541.90	Distribution design	Availability in time frame required – costs compared favourably with internal costs
Ge Multilin	$70,478.75	Electronic equipment	Tender
Polecare International Inc.	$71,904.00	Wood pole study	Tender
Itron Canada Inc.	$88,211.80	Residential meters	Tender
Posi-Plus Ontario Inc.	$92,886.40	Bucket truck purchase	Tender

Lea Consulting Ltd.	$95,330.25	Construction services	RFP
Securitas Canada Limited	$98,596.06	Site security	Tender
Shell Canada Products Ltd.	$107,607.84	Fuels	Tender
Kubra Data Transfer Ltd.	$109,411.88	Bill printing & mailing	Tender
M.E.T. Utilities Management Ltd.	$117,481.70	Meter reading	Tender
Harper Detroit Diesel-Allison	$117,657.59	Vehicle maintenance	Tender
Ont Line Clearing&Tree Srvc Lt	$119,885.69	Forestry services	Tender
Lidaco Contracting Ltd	$124,438.67	Backhoe operator	Tender
Maple Lane Nurseries	$126,352.77	Lawns, gardens, etc	Tender
The Mearie Group	$126,646.62	Insurance	Quote
Optilinx Systems Inc.	$131,573.84	Directional boring	Tender
Angus Geosolutions Inc.	$144,049.68	Consulting – GIS system	Quotes
Canada Power Products Corp.	$144,299.90	Switch gear	Quotes
Promark Telecon Inc.	$147,113.71	Cable locates	Quoted in conjunction with Enbridge, Bell
Westburne/Ruddy Electric	$178,653.09	Electrical equipment	Quotes
Ernst & Young	$181,269.00	Auditor	Quotes
Black & Macdonald	$187,007.47	Emergency substation repair	Quote and availability
Badger Daylighting Inc.	$196,051.35	Vactoring services	Quote
Enbridge Consumers Gas	$221,995.28	Secondary utility hookups	Service agreement
Ontario Motor Sales Limited	$237,187.05	Pickup trucks, vans	Tender
Mc. G. Poleline Ltd.	$334,997.18	Lineman services	Quotes
Guelph Utility Pole Company	$381,875.90	Wood poles	Tender
Erie Thames Services	$409,564.38	Billing, meter testing	Tender
Ron Robinson	$740,358.08	Construction contractor	Quote
Guillevin International Inc.	$1,633,423.17	Maintenance hardware	Quotes
Robert B. Somerville	$1,738,461.90	Directional boring	Tender
Grafton Utility Supply	$2,945,955.06	Cable, wire, transformers, line	Tender / quotes
Grand Total	$11,876,889.47		

Oshawa PUC Networks Inc.			
Purchases Greater Than $50k			
Jan 2007 to July 2007			
Vendor Name	**Total Amount**	**Services**	**Pricing Method**
Utility Solutions Corporation	$55,605.48	Distribution Design	Availability in time frame

			required – costs compared favourably with internal costs
Shell Canada Products Ltd.	$57,061.98	Fuels	Tender
Securitas Canada Limited	$58,776.42	Site Security	Tender
M.E.T. Utilities Management Ltd.	$64,414.11	Meter reading services	Tender
Harper Detroit Diesel-Allison	$67,081.33	Vehicle maintenance	Tender
Marsh Canada Ltd.	$67,724.00	Risk management services	Unique expertise
Skycast	$70,110.00	Streetlight Poles	Quote
Lidaco Contracting Ltd	$72,652.86	Backhoe operator	Tender
Angus Geosolutions Inc.	$73,458.00	Consulting services	Quotes
Westburne/Ruddy Electric	$74,757.08	Electrical equipment	Quotes
Ont Line Clearing &Tree Srvc Ltd	$80,088.59	Forestry services	Tender
Enbridge Consumers Gas	$84,873.59	Secondary service hookups	Service agreement
Ernst & Young	$85,623.62	Auditor	Quotes
Guelph Utility Pole Company	$86,822.40	Wood poles	Tender
Optilinx Systems Inc.	$87,693.01	Directional boring	Tender
Itron Canada Inc.	$88,610.87	Residential Meters	Tender
Promark Telecon Inc.	$110,769.18	Cable locates	Quoted in conjunction with Enbridge, Bell
Black & Macdonald	$117,893.00	Emergency substation repair	Quote and availability
Badger Daylighting Inc.	$121,709.20	Vactoring	Quote
Spatialinfo Inc.	$142,000.00	Network management software	RFP
Guthrie Insurance Brokers Ltd.	$190,331.44	Insurance services	Quotes
Mc. G. Poleline Ltd.	$191,602.53	Temporary linemen	Quotes
Guillevin International Inc.	$251,008.04	Maintenance hardware	Quotes
Erie Thames Services	$303,727.97	Billing, bill printing, mailing	RFP
Posi-Plus Ontario Inc.	$331,447.75	Double bucket truck	Tender
Ron Robinson	$397,733.54	Subcontractor-construction	Quotes
Grafton Utility Supply	$1,348,616.06	Cable, wire, transformers, line	Tender / quotes

		hardware	
Grand Total	$4,682,192.05		

Please see Exhibit 4, Tab2, Schedule 5, pages 2-3 for a complete description of the process for tenders, RFPs, and quotes.

Shared Services

18. *Ref: Exhibit 4/ Tab 2/ Schedule 3/ Page 1*
Pursuant to section 2.5 (Exhibit 4 Operating & Maintenance and Other Costs) of the Filing Requirements for Transmission and Distribution Applications, please provide the following for shared services:

a. *Type of service and total annual expense by service*

b. *Rationale and cost allocators used for shared costs, for each type of service*

Please include a specific discussion as to how, based on the above information, the cost allocators used for shared costs result in the 3% cost allocation to affiliates referenced on this page.

2007 Bridge

The Service Company is given a monthly Network Company invoice, for shared services costs. The invoice is paid monthly by the Service Company.

Type of Service	Accounting/ Finance Services
Cost Allocators	Activity based. Each staff member who performs accounting / financial services for any of the affiliates estimated the percentage of their time spent on providing affiliate services. These estimates were reviewed by their supervisors and the percentage agreed upon is used to allocate time to affiliate work. Percentages are calculated at 2% to 10% depending on the employee and the work they do.
Explanation	The actual amount charged to the affiliates is based on the salary/ wages of individual staff member with 54% added for the benefits (as required by Article

	340 of APH). The amount billed to the affiliate is determined by multiplying the amount of salary/wages and benefits by the activity percentage for each employee. Individual amounts are totaled and one sum is invoiced.
Total Annual Expense	$20,827

Type of Service	Stores Manager Labour Costs (fibre related activity)
Cost Allocators	Activity based. The only stores department staff member who performs work for the Service Company estimated the percentage of their time spent on providing affiliate services. These estimates were reviewed by the employee's supervisor and the percentage agreed upon is used to allocate time to affiliate work.
Explanation	The actual amount charged to the affiliate is based on the salary/ wages of individual staff members with 54% added for benefits (as required by Article 340 of APH). The amount billed to the affiliate is determined by multiplying the amount of salary/wages and benefits by the activity percentage for the employee.
Total Annual Expense	$51,552

Type of Service	Meter Manager and Meter Clerk Labour Costs (MSP related activity)
Cost Allocators	Activity based. Each staff member from the meter department who work for any of the affiliates estimated the percentage of their time spent on providing affiliate services. These estimates were reviewed by their supervisors and the percentage agreed upon is used to allocate time to affiliate work. Activity based.
Explanation	The actual amount charged to the affiliates is based

	on the salary/ wages of individual staff members with 54% added for benefits (as required by Article 340 of APH). The amount billed to the affiliate is determined by multiplying the amount of salary/wages and benefits by the activity percentage for each employee. Individual amounts are totaled and one sum is invoiced.
Total Annual Expense	$33,359

Type of Service	Facilities, MIS, and Supplies.
Cost Allocators	Based on total Annual Revenues of Service Company to that of Total Network and Service Company Revenues. The result is 3% allocation percentage.
Explanation	The total costs of the Facilities, the MIS Department, and the Supplies Expense Account of the Network company are determined and then allocated based on 3% (or percentage determined in a particular fiscal year). The amount billed to the affiliate is determined by multiplying the amount of salary/wages and benefits by the allocation percentage, which is currently 3%.
Total Annual Expense	Facilities $18,236 MIS $3,944 Supplies $88

2008 Test

Type of Service	Accounting/ Finance Services
Cost Allocators	Activity based. Each staff member who performs accounting / financial services for any of the affiliates estimated the percentage of their time spent on providing affiliate services. These estimates were reviewed by their supervisors and the percentage agreed upon is used to allocate time to affiliate work.

	Percentages are calculated at 2% to 10% depending on the employee and the work they do.
Explanation	The actual amount charged to the affiliates is based on the salary/ wages of individual staff members with 54% added for benefits (as required by Article 340 of APH). The amount billed to the affiliate is determined by multiplying the amount of salary/wages and benefits by the activity percentage for each employee. Individual amounts are totaled and one sum is invoiced.
Total Annual Expense	$21,452

Type of Service	Stores Manager Labour Costs (fibre related activity)
Cost Allocators	Activity based. The only stores department staff member who performs work for the Service Company estimated the percentage of their time spent on providing affiliate services. These estimates were reviewed by the employee's supervisor and the percentage agreed upon is used to allocate time to affiliate work.
Explanation	The actual amount charged to the affiliate is based on the salary/ wages of individual staff members with 54% added for benefits (as required by Article 340 of APH). The amount billed to the affiliate is determined by multiplying the amount of salary/wages and benefits by the activity percentage for the employee.
Total Annual Expense	$53,099

Type of Service	Meter Manager and Meter Clerk Labour Costs (MSP related activity)
Cost Allocators	Activity based. Each staff member from the meter department who work for any of the affiliates

	estimated the percentage of their time spent on providing affiliate services. These estimates were reviewed by their supervisors and the percentage agreed upon is used to allocate time to affiliate work. Activity based.
Explanation	The actual amount charged to the affiliates is based on the salary/ wages of individual staff members with 54% added for benefits (as required by Article 340 of APH). The amount billed to the affiliate is determined by multiplying the amount of salary/wages and benefits by the activity percentage for each employee. Individual amounts are totaled and one sum is invoiced.
Total Annual Expense	$34,426

Type of Service	Facilities, MIS, and Supplies.
Cost Allocators	Based on total Annual Revenues of Service Company to that of Total Network and Service Company Revenues. Result 3% allocation percentage.
Explanation	The total costs of the Facilities, the MIS Department, and the Supplies Expense Account of the Network company are determined and then allocated based on 3% (or percentage determined in a particular fiscal year). The amount billed to the affiliate is determined by multiplying the amount of salary/wages and benefits by the allocation percentage, which is currently 3%.
Total Annual Expense	Facilities $18,783 MIS $4,062 Supplies $91

19. *<u>Ref: Exhibit 4/ Tab 2/ Schedule 3/ Page 1</u>*
In this schedule, Oshawa PUC Networks Inc. briefly discusses its shared services pricing methodology. Please provide an overview of the impact of this

methodology in the following format for each of the 2006 historical, 2007 bridge and 2008 test years by service:

The Services Company affiliate provides only 1.05% of total distribution revenues. The Networks Company (OPUCN) provides the remaining distribution revenue. As the Services Company provides insignificant revenues to overall operations of the holding company and its affiliates the ratio of relevant Affiliate Costs to Total Costs is low.

MSP Maintenance Services are charged to the Networks company at the same rates as those charged to other LDCs for the same services. Because the rate was established based on competition for business in the market place the rate can be assumed to be at market value.

Pole Attachment charges are applied at approved OEB specific service charge rate (for 2007 and 2008 rate set at OEB Approved Decision and Order of May 1, 2007).

As explained in Question 18, the shared services of the Service Company are identified by annual activity and revenue percentage reviews. Costs are based on the principle of charging for those services on a full cost recovery basis for services used.

I. $ amount of expenses paid to affiliates for services rendered and the percentage amount this represents of total expenses

	2006 Actual	2007 Bridge	2008 Test
a. Amount of Expense Paid to Service Company	22,320	22,320	22,320
for Services Rendered	0.3%	0.2%	0.2%

b. Amount of Expense Paid to Holding Company	480,000	480,000	480,000
for Services Rendered	6.0%	5.2%	4.6%

Note: the services referred to in point a. are MSP services

II. $ amount of revenue received from affiliates for services provided and the percentage amount this represents of total revenue

	2006 Actual	2007 Bridge	2008 Test
Amount of Revenue Received from Service	37,545	37,889	37,889
Company for Services Provided	16.9%	8.6%	8.3%

Note: Services include pole attachment and duct rental

III. $ amount of expenses incurred related to the provision of services to affiliates and the percentage amount this represents of total expenses

	2006 Actual	2007 Bridge	2008 Test
Amount of Expenses Incurred related to Service Company for Services Provided	92,745	128,508	132,363
	1.2%	1.4%	1.3%

Note: Services refer to administration fees for MIS support, accounting services, facilities and services provided by the meter and stores departments

Corporate Cost Allocation

20. *Ref: Exhibit 4/ Tab 2/ Schedule 3/ Page 1*

Pursuant to section 2.5 (Exhibit 4 Part D) of the Filing Requirements for Transmission and Distribution Applications, Applicants are to file detailed description of the assumptions underlying the corporate cost allocation as well as provide documentation of the overall methodology and policy.

Please ensure that these filing requirements are met by providing the documentation described above.

There is some confusion with this question in that the reference Exhibit 4 Tab 2 Schedule 3 Page 1 refers to Shared Services. Shared Services are included in Question numbers 18 and 19. In respect to Corporate Cost Allocation, Question # 21 details the assumptions underlying corporate cost allocation at OPUCN. The following table is shown to assist in the review of Corporate Cost Allocations from

OPUC (the holding company) to OPUCN. The P&L Budget reflects reasonable costs for OPUC for the 2008 Test Year. The total amount allocated to OPUCN in the table below differs from the $480,000 cost filed in the rate application. The 2008 P&L Budget was not ready for inclusion in the rate application inclusion and the $480,000 used was based on 2007 Budgeted Figures and adjusted for an inflationary factor.

	Expense	Allocation Factor	Allocated to OPUCN
Expenses:			
Salary and Wages	483,302		
Benefits	36,876		
Audit- E&Y	2,100		
Legal	12,239		
Consulting	70,000		
Travel & Training	2,640		
Community Relations	3,430		
Corporate Memberships	3,600		
Bank Charges	965		
Total Expenses	615,152	80%	492,121.50

21. *Ref: Exhibit 4/ Tab 2/ Schedule 4/ Page 1*

The second paragraph on Page 1 states that "Based on the level of activities expected in 2008 at OPUCN and the other two subsidiaries of OPUC (OPUC Energy Services and OPUC Services), OPUC is proposing to allocate 80% of its costs to OPUCN in the Test years, amounting to $480,000"

Please explain how it was determined that 80% should be allocated.

OPUC provides corporate governance services to OPUCN, OPUC Services, and OPUC Energy Services. Prior to the latter part of 2007 there was a negligible amount of activity in the OPUC Services and OPUC Energy Services affiliates. Up until this time all corporate governance fees were charged to OPUCN. Activity is increasing in the affiliate companies so OPUC will be charging more to the affiliates and less to OPUCN to recover the costs of governance services. The primary drivers of these costs are the costs associated with executive management services. The CEO and CFO reviewed the amount of time spent on services for each affiliate and determined that the time spent on corporate governance for OPUCN varies between 75% and 85% of their work load over the course of a year. The amount of time the members of the Board of Directors spend on Network and Affiliate activities was also estimated during the CEO / CFO review. Therefore, OPUC proposes to

allocate 80% of its costs to OPUCN in 2008. The allocation factor of 80% was also found to be suitable for the assigning of Board of Directors costs.

Employee Compensation

22. *Ref: Exhibit 4 / Tab 2 / Schedule 1*

> *Page 3 of the OM&A Detailed Cost Table, shows that injuries and damages are forecast to increase from $100,859 in 2006 to $175,190 in 2008. Please provide a justification for this two-year increase of 74%.*

The amount reflected in Injuries and Damages, Account 5640, are exclusively the costs for premiums paid for Liability Insurances. OPUCN's Liability Insurances are through Mearie Insurance (Liability Coverage) as well as Chubb Insurance (Director's and Officer's Liability Insurance).

OPUCN hired Marsh Canada to undertake an independent and detailed review of our insurance policies in 2007. The results of the review found gaps in our Directors and Officers (D&O) insurance coverage. To mitigate the risks posed by these gaps OPUCN made a business decision to obtain a new D&O insurance policy.

This new policy was put in place commencing March 1, 2007. The cost of the policy for the period of March 1 through December 31 is reflected in the variance of $52,672 between 2006 Actual and 2007 Bridge. The variance of $21,659 for 2007 Bridge and 2008 Test is the result of both the full year's impact of new D&O Insurance Policy Premium and an inflationary factor of 3%.

The following tables are presented to inform the discussion of questions 23, 24, and 25.

Number of employees (Average Full-time equivalents (FTE's):				
	2006 Board Approved	2006 Actual	2007 Bridge	2008 Test
Executive	0	0.0	0.0	0.0
Management	15	14.1	13.4	14.5
Non-Unionized	6	5.2	6.3	6.5
Unionized	63	57.3	59.4	63.3

	84	76.6	79.2	84.3

Number of employees (Part-time equivalents (FTE's):				
	2006 Board Approved	2006 Actual	2007 Bridge	2008 Test
Executive	0	0	0	0
Management	0	0	0	0
Non-Unionized	0	0	0	0
Unionized	0	0	0	0

Compensation (Total Salary and Wages ($)):

	2006 Board Approved	**Average**	**2006 Actual**	**Average**	**2007 Bridge**	**Average**	**2008 Test**	**Average**
Executive	0	0	0	0	0	0	0	0
Management	1,095,475	73,032	1,392,311	98,862	1,381,043	102,935	1,496,666	103,218
Non-Unionized	387,315	64,552	293,517	56,810	367,914	58,095	383,631	59,020
Unionized	3,889,904	61,745	3,970,306	69,250	4,255,827	71,627	4,667,667	73,797
	5,372,694	199,329	5,656,134	224,922	6,004,784	232,656	6,547,964	236,036

Note: Amounts for 2006 Approved were calculated by starting with 2004 Salary/Wages and adding approved head count changes.

Compensation (Total Benefits ($)):

	2006 Board Approved	**Average**	**2006 Actual**	**Average**	**2007 Bridge**	**Average**	**2008 Test**	**Average**
Executive	0	0	0	0	0	0	0	0
Management	398,587	26,572	211,416	15,012	309,875	23,096	366,677	25,288
Non-Unionized	126,785	21,131	120,434	23,310	108,911	17,197	112,873	17,365
Unionized	1,385,308	21,989	1,528,891	26,667	2,028,957	34,148	2,218,508	35,075
	1,910,680	69,692	1,860,741	64,988	2,447,743	74,442	2,698,058	77,728

Notes:

1. 2006 Approved figures were calculated by starting with 2004 Salary/Wages and adding approved Head Count Changes

2. Benefits figures include year-to year changes related to Future Benefits accrual (based on the actuarial study filed as an appendix to the Rate Application)

3. Pension Adjustments have a significant impact on Benefit changes as does the one time Green Shield Refund received in 2007.

4. Benefits include those paid to Retirees

5. The figures for 2007 factor in a one-time Green Shield rebate of $232k which was calculated on premiums paid from 2003 through 2005.

6. Staff on maternity / parental leave is entitled to benefits although during their leave they are not counted in FTEs.

Compensation (Total Incentives ($)):

	2006 Board Approved	Average	2006 Actual	Average	2007 Bridge	Average	2008 Test	Average
Executive	0	0	0	0	0	0	0	0
Management	0	0	0	0	65,000	4,845	125,000	8,621
Non-Unionized	0	0	0	0	0	0	0	0
Unionized	0	0	0	0	0	0	0	0
	0	0	0	0	65,000	4,845	125,000	8,621

Total of Costs charged to O&M ($)):

	2006 Board Approved	Average	2006 Actual	Average	2007 Bridge	Average	2008 Test	Average
TOTAL	7,283,374	269,021	7,516,875	289,910	8,517,527	311,943	9,371,022	322,385

23. *Ref: Exhibit 4 / Tab 2 / Schedule 6*

Page 5 of 9, provides a comparison of total salary and wages for each employee category, from 2006 to 2008.

a. *Please confirm that total salary and wages for management employees is forecast to increase from $1.39M in 2006 to $1.50M in 2008, and that expressed on a "per FTE" basis the average salary increases from approximately $92,821 in 2006 to approximately $106,905 in 2008.*

The Employee Compensation table as originally filed reflected FTE numbers as at end of the 2006 Actual, 2007 Bridge, and 2008 Test Years and did not take into account fluctuations over the course of each year. The attached table has been revised to reflect average FTEs balances during each Fiscal Year.

The revised FTE average Total Salary and Wages per employee for 2006 for management is now $98,862 and for 2008 is now $103,218.

b. *In light of (a), please provide a justification for this two-year increase of 15%.*

The two year increase is now adjusted to 4.4%. The inflationary increase of 3% per annum is offset by the fact that there was no replacement during the 2007 Bridge year for two management employees who retired at the end of 2006. In the 2008 Test Year, OPUCN expects to hire a new Customer Service Supervisor in June 2008. The average has also been affected by several promotions and change to the responsibilities of some managers.

c. *Please confirm that total salary and wages for non-unionized employees is forecast to increase from $293,517 in 2006 to $383,631 in 2008, and that expressed on a "per FTE" basis the average salary increases from approximately $48,920 in 2006 to approximately $63,939 in 2008.*

The revised FTE average Total Salary and Wages for 2006 for non-unionized employees is now $56,810 and for 2008 the total is now $59,020.

d. *In light of (c), please provide a justification for this two-year increase of 31%.*

The two year increase is now adjusted to 3.9%. The inflationary increase of 3% per annum is offset with by the fact OPUCN is not projecting a replacement for one retiree in the Human Resources Department at this time. OPUCN does, however, propose hiring a Project Engineer.

e. *Please confirm that total salary and wages for unionized employees is forecast to increase from $3.97M in 2006 to $4.67M in 2008, and that expressed on a "per FTE" basis the average salary increases from approximately $62,036 in 2006 to approximately $68,642 in 2008.*

The revised FTE average Total Salary and Wages for 2006 for Unionized Staff is now $69,250 and for 2008 the average is now $73,797.

f. *In light of (e), please provide a justification for this two-year increase of 11%.*

The two year increase is now projected to be 6.57%. This increase is largely due to an inflationary increase of 3% per annum.

24. *Ref: Exhibit 4 / Tab 2 / Schedule 6*

Page 6 of 9, provides a comparison of total benefits for management, non-unionized and unionized employees, from 2006 to 2008.

a. *Please confirm that total benefits for management employees is forecast to increase from $211,416 in 2006 to $366,677 in 2008, and that expressed on a "per FTE" basis average benefits increases from approximately $14,094 in 2006 to approximately $26,191 in 2008.*

Please see attached employee compensation table. The original table reflected FTE numbers effective as of the end of the 2006 Actual, 2007 Bridge, and 2008 Test years. The attached table had been revised to reflect average FTE balances during each Fiscal Year. The revised FTE average Total Benefits for 2006 for management is now $15,012 and for 2008 is now $25,288.

b. *In light of (a), please provide a justification for this two-year increase of 86%.*

The two year increase is now adjusted to 68.5%. This includes inflationary increases of 5% per annum for health insurance and 3% for the remaining items included in benefits. The increase also includes a new long term disability insurance program for management and non-union Staff which started in 2007. As well, a staff member on maternity leave is still receiving benefits. However the bulk of the increase is associated with Future Benefits accrual. Due to CICA 3461 requirements an amount of $198,000 was accrued for 2007 and for 2008 for all staff

categories. A one-time Rebate on 2002-2004 Health Insurance of $232k was applied to the health insurance expenses account in 2006. If the rebate is applied proportionally to Staff Categories the two year increase 2006 to 2008 would be 24%.

c. *Please confirm that total benefits for unionized employees is forecast to increase from $1.53M in 2006 to $2.29M in 2008, and that expressed on a "per FTE" basis average benefits increases from approximately $23,889 in 2006 to approximately $32,625 in 2008.*

The revised FTE average Total Benefits for 2006 for unionized employees is now $26,667 and for 2008 it is now $35,075.

d. *In light of (c), please provide a justification for this two-year increase of 30%.*

The two year increase is now adjusted to 32%. Part of this increase is due to an inflationary increase of 5% per annum for health insurance and 3% for the remainder of items included in the benefits package. Due to CICA 3461 requirements an amount of $198,000 was accrued for 2007 and for 2008 for all staff categories. There are staff members on maternity leave still receiving benefits. A one-time Rebate on 2002-2004 Health Insurance of $232k was applied to Health insurance expenses account in 2006. If Rebate were to be applied proportionally to Staff Categories the two year increase 2006 to 2008 would be 19%.

25. *Ref: Exhibit 4 / Tab 2 / Schedule 6*

Page 6 of 9, provides a comparison of total incentives for management employees, from 2006 to 2008.

a. *Please confirm that total incentives for management employees is forecast to increase from $65,000 in 2006 to $125,000 in 2008, and that expressed on a "per FTE" basis the average incentive increases from approximately $5,417 in 2006 to approximately $8,929 in 2008.*

There was no incentive program or associated payments in 2006. In 2007 the incentive program was introduced half way through the year and the amount budgeted, $65,000, reflects that fact. If that amount were to be extended to a full year period it would be extended to $125,000, the amount proposed for 2008.

b. *In light of (a), please provide a justification for this two-year increase of 72%.*

There is no increase from 2007 to 2008 on an annualized basis.

26. *Ref: Exhibit 4 / Tab2 / Schedule 6*

On Page 9 of 9, OPUCN indicates that in complying with CICA 3401 Projected Benefit Costs requirements, the defined post-retirement employee benefit costs net of benefits payments for 2007 and 2008 was determined to be $597,700. Please state why OPUCN is requesting recovery on the basis of complying with this CICA requirement, which makes use of the accrual method of accounting instead of the cash basis method.

CICA 3401 imposes the accruing of post retirement benefits over the long term because post retirement benefits are an obligation and liability which will occur in the future for individual employees. CICA further states that it is prudent to accrue these amounts on a yearly basis so that they can be tracked. This includes the recording of amortization of both actuarial gains and of losses. The concepts of employee future benefits costs are in the OEB APH, Employee Future Benefits (Article 470).

This liability of future benefit costs is therefore amortized over several years and helps mitigate fluctuations due to interest rate and mortality rate changes. This provides more rate stability (instead of having to reflect “lump sum” adjustments as what could occur in a fiscal year).

OM&A Expenses

27. *Ref: Exhibit 4 / Tab 1 / Schedule 1 / Page 3*

a. *Please confirm that OPUCN has not made changes to the companies accounting policies in respect to capitalization of operation expenses and/or has not made any significant changes to accounting estimates used in allocation of costs between operations and capital expenses post fiscal year end 2004. If any accounting policy changes or any significant changes in accounting estimates have been made post fiscal year end please provide all supporting documentation and a discussion highlighting the impact of the changes.*

OPUCN has made no such changes.

28. *Ref: Exhibit 4 / Tab 1 / Schedule 1 / Page 3*

Exhibit 4, Tab 1, Schedule 1, Page 3; the following table was modified by Board staff to review OPUCN OM&A expenses. Board Staff have agreed the 2006 OEB Board Approved values to the 2006 EDR. The record requires further clarification. Note rounding differences may occur, but are immaterial to this question.

OM&A Expenses	2006 Board Approved	Variance	2006 Actual
Operation (Working Capital)	$1,609,132	-$1,267,710 -79%	$341,422
Maintenance (Working Capital)	$212,721	$454,915 214%	$667,636
Operations and Maintenance	$1,821,853	-$812,795 -45%	$1,009,058
Billing and Collections	$1,218,533	$834,810 69%	$2,053,343
Community Relations *(note 1)*	$1,526,323	-$738,534 -48%	$787,789
Administrative and General Expenses	$4,135,697	$28,810 1%	$4,164,507
Total OM&A Expenses -	$8,702,406	-$687,709 -8%	$8,014,697
CDM - Energy Conservation *(note 1)*	$0	$222,319 100%	- $222,319
Taxes Other than Income Taxes	$145,719	$241,985 166%	$387,704
Total Distribution Expenses	**$8,848,125**	**-$223,405** -3%	**$8,624,720**

Note 1 : The CDM amount of $222,319 was removed from Community Relations

a. *Exhibit 4, Tab 2, Schedule 1, Page 1 under Operation expense OPUCN shows Miscellaneous Distribution expense decreasing by $440,282 in 2006 Actual. Please provide detailed explanation of the origin and nature of this account, and drivers to explain this increase.*

The Miscellaneous Distribution Expenses account accumulates expenses of our Engineering (Tech Services) Department. These expenses are offset by cost allocations of OPUCN overhead costs that are directly related to Engineering activities. The reason this account reflects a continued credit amount is that Engineering support costs (eg. facilities, IT, supervisors and management labour, and benefits) are recorded in other accounts and not the Miscellaneous Distribution

Expenses account. Therefore, costs allocations (credit) are recorded in full, but the overhead and support costs (debits) are not reflected in this account.

In 2006, OPUCN had two very large, unusual projects, the GM Sports Center and the 401 Interchange (MTO). While there was a significant increase Engineering costs and support costs to support these two very large, the cost allocation or credit to this account also significantly increased. However, even though cost allocations significantly increased, the support costs realized for these projects were recorded in other USofA accounts.

Going forward, 2007 and 2008 reflect significant declines in the credit balance in account as no major projects of this nature are projected.

b. *From the table above the subtotaled Operations and Maintenance expenses in total is reported to have declined by $812,795. Per the OM&A Detailed Cost Table on Exhibit 4, Tab 2, Schedule 1, Page 1 and 2 the reported 2006 Actual value for Operations is $(58,578) and Maintenance is $1,067,636 which results in the same subtotaled value as in the table above and the same variance amount. However the variance analysis on Exhibit 4, Tab 2, Schedule 2, Page 1 the reported decline is $363,895. The 2006 OEB approved is reported here as $1,981,951 and the 2006 Actual is reported as $1,618,056. OPUCN explains in the variance analysis that "Overall figures were correct but some account transactions did not match exactly with a single USofA account". Please prepare detailed reconciliations to account for the difference between the sub total values from the three referenced schedules.*

The major difference in totals the Tables Exhibit 4, Tab 2, Schedule 1, Page 1 and Exhibit 4, Tab 2, Schedule 2, Page 1 is caused by the fact that Exhibit 4, Tab 2, Schedule 2, Page 1 only includes in the account grouping those accounts with variances over the threshold of 1% of total distribution expenses while Exhibit 4, Tab 2, Schedule 1, Page 1 includes all Operations accounts. A further source of the difference is that Exhibit 4, Tab 2, Schedule 2, Page 1 also records Maintenance grouping accounts. Please see the following Tables for these comparisons. Exhibit 4, Tab 1, Schedule 1, Page 3 records total Operations and Maintenance Costs. However, an amount of $400,000 is included in Operations with the same amount taken out of Maintenance Balance. This appears to be a formula problem. The corrected Exhibit 4, Tab 1, Schedule 1, Page 3 is included in attached table correctly aligning the two accounts.

Exhibit 4-2-1-1	**OM&A COSTS**				Exhibit 4-2-1	**Materiality Analysis (>=1% total distribution costs less PILs)**		
Account	Description	2006 Board Approved	2006 Actual	Variance from 2006 Board Appr	2006 Board Approved	2006 Actual	Variance from 2006 Board Approved	Variance % (of Dist. Exp.)
5005	Operation Supervision and Engineering	48,321	273,773	225,452	48,321	273,773	225,452	3%
5010	Load Dispatching	-	-	-				
5012	Station Buildings and Fixtures Expense	-	-	-				
5014	Transformer Station Equipment - Operation Labour	-	-	-				
5015	Transformer Station Equipment - Operation Supplies and Expenses	-	-	-				
5016	Distribution Station Equipment - Operation Labour	26,660	-	(26,660)				
5017	Distribution Station Equipment - Operation Supplies and Expenses	-	-	-				
5020	Overhead Distribution Lines and Feeders - Operation Labour	702,518	225,952	(476,565)	702,518	225,952	(476,565)	-5%
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	54,478	(210,688)	(265,166)	54,478	(210,688)	(265,166)	-3%

5030	Overhead Subtransmission Feeders - Operation	-	-	-				
5035	Overhead Distribution Transformers- Operation	-	-	-				
5040	Underground Distribution Lines and Feeders - Operation Labour	175,277	7,751	(167,526)	175,277	7,751	(167,526)	-2%
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	4,708	1,047	(3,662)				
5050	Underground Subtransmission Feeders - Operation	-	-	-				
5055	Underground Distribution Transformers - Operation	-	-	-				
5060	Street Lighting and Signal System Expense	-	-	-				
5065	Meter Expense	597,169	83,869	(513,300)	597,169	83,869	(513,300)	-6%
5070	Customer Premises - Operation Labour	-	-	-				
5075	Customer Premises - Materials and Expenses	-	-	-				
5085	Miscellaneous Distribution Expense	-	(440,282)	(440,282)	-	(440,282)	(440,282)	-5%
5090	Underground Distribution Lines and Feeders - Rental Paid	-	-	-				
5095	Overhead Distribution Lines and Feeders - Rental Paid	-	-	-				

5096	Other Rent	-	-	-				
	Sub-Total	1,609,132	(58,578)	(1,667,710)	1,577,763	(59,624)	(1,637,388)	

Maintenance amounts included in Distribution Expenses

Account	Description	2006 Board Approved	2006 Actual	Variance from 2006 Board Approved	Variance % (of Dist. Exp.)
5105	Maintenance Supervision and Engineering	-	246,245	246,245	3%
5114	Maintenance of Distribution Station Equipment	25,761	127,372	101,611	1%
5120	Maintenance of Poles, Towers and Fixtures	135,136	503,320	368,184	4%
5305	Supervision	-	222,974	222,974	3%
5310	Meter Reading Expense	160,098	386,024	225,926	3%
	Total Operation and Maintenance	1,981,951	1,618,056	(363,895)	

Correction to Exhibit 4, Tab 1, Schedule 1, Page 3

ELIGIBLE DISTRIBUTION EXPENSES:	2006 Board Approved	2006 Actual		
3500-Distribution Expenses - Operation Total	1,609,132	341,422	(1,267,710)	
3550-Distribution Expenses - Maintenance Total	212,721	667,636	454,915	
Total	1,821,853	1,009,058	(812,795)	

Corrected

ELIGIBLE DISTRIBUTION EXPENSES:	2006 Board Approved	2006 Actual		
3500-Distribution Expenses - Operation Total	1,609,132	(58,578)	(1,667,710)	reconciles to Exhibit 4-2-1-1
3550-Distribution Expenses - Maintenance Total	212,721	1,067,636	854,915	
Total	1,821,853	1,009,058	(812,795)	

c. *Please provide verification as to which "Overall figures" OPUCN is referring to in their statement as referenced in c) above. For the correct values please specify the drivers which will explain the difference between 2006 OEB approved and 2006 Actual.*

In 2006 the OPUCN chart of accounts was augmented to reflect more detail when matching the accounts to the USofA. During the initial period during which the new chart of accounts was in use, certain costs were occasionally recorded in error to one grouping when they should have been recorded to another. This appears to have occurred for charges that should have been recorded in the Operations Grouping which were inadvertently charged to the G/L account which is used to track to the USofA Maintenance account Grouping. This can be seen by the line comparisons in the Table in Exhibit 4, Tab 1, Schedule 1, Page 3. Operation Costs and Maintenance costs in 2006 Approved (based on 2004 financial results) were better recorded in fiscal 2006. Although individual line items might have been affected by recording practices in 2004, the totals or overall figures are correct. The major drivers for comparisons between 2006 Actual and 2006 Approved are the improved recording practices in 2006 (for the results of Approved 2006), and the full implementation of the OEB Cost Allocation (Allocation of Costs and Transfer Pricing APH Article 340) guidelines during 2004. Cost allocation, in particular the allocating of overhead and support costs for Capital Projects, was improved to better apply the guidelines. Better allocation recordings allowed for reductions to be reflected in the comparison between 2006 Actual and 2006 Approved. Better recording of cost types (i.e. the expanded management chart of accounts) in 2006 as compared to 2004 was also a factor.

d. *From the table above the Billing and Collections expense is reported to have increases by $834,810. This is the same value as per the OM&A Detailed Cost Table on Exhibit 4, Tab 2, Schedule 1, Page 2. However the variance analysis on Exhibit 4, Tab 2, Schedule 2, Page 1 the reported increase is $279,860. The 2006 OEB approved is reported here as $1,918,935 and the 2006 Actual is reported as $2,198,794. OPUCN explains in the variance analysis that "Overall figures were correct but some account transactions did not match exactly with a single USofA account". Please prepare a detailed reconciliation to account for the difference between the values from the table above and the last referenced schedule.*

Exhibit 4-2-2-1 has been incorrectly identified as Billing and Collections when in fact the title should be Administrative. Amounts reflected in Exhibit 4-2-1-1 are in fact correct for comparisons. The following table reflects the necessary changes. The variance between Actual 2006 and Approved 2006 is $834,810.

Exhibit 4-2-1-1	**Billing and Collections**	2006 Board Approved	2006 Actual	Variance form 2006 Board Appr	Exhibit 4-2-2-1	**Materiality Analysis (>=1% total distribution costs less PILs**	2006 Board Approved	2006 Actual	Variance form 2006 Board Approved	Variance % (of Dist. Exp.)
5305	Supervision	-	222,974	222,974	5305	Supervision	-	222,974	222,974	3%
5310	Meter Reading Expense	160,098	386,024	225,926	5310	Meter Reading Expense	160,098	386,024	225,926	3%
5315	Customer Billing	723,052	856,571	133,519	5315	Customer Billing	723,052	856,571	133,519	2%
5320	Collecting	-	376,008	376,008	5320	Collecting	-	376,008	376,008	4%
5325	Collecting-Cash Over and Short	-	-	-						
5330	Collection Charges	-	-	-						
5335	Bad Debt Expense	335,383	211,765	(123,617)	5335	Bad Debt Expense	335,383	211,765	(123,617)	-1%
5340	Miscellaneous Customer Accounts Expenses	-	-	-						
	Sub-Total	1,218,533	2,053,343	834,810		Sub-Total	1,218,533	2,053,343	834,810	2%
					~~5605~~	Executive Salaries and Expenses	~~470,000~~	~~1,446,113~~	~~976,113~~	~~11%~~

		-	-	-	5610	Management Salaries and Expenses	809,979	637,673	(172,306)	-2%
					5620	Office Supplies and Expenses	186,300	167,356	(18,944)	-2%
					5615	General Administrative Salaries and Expenses	833,217	670,497	(162,720)	-2%
					5625	Administrative Expense Transferred Credit	(380,562)	(722,844)	(342,282)	4%
					-	-	1,918,935	2,198,794	279,860	0.70%

e. *Please provide verification as to which "Overall figures" OPUCN is referring to in their statement as referenced in e) above. For the correct values please specify the drivers which will explain the difference between 2006 OEB approved and 2006 Actual.*

Costs were filed based on historic results of 2004 (with some cost items having been averaged over three years). Many management accounts were not matching correctly with USofA account buckets during 2004. The overall figures were correct but some account transactions did not match with exact USofA account groupings. Accounts were also affected by better segmentation of costs that was not fully the case in 2004. For instance, the Supervision (Collections and Billings) account was segmented from the rest of management (Administration) account and applied in 2006 to its proper grouping of Collections and Billings. This is again true for the better segmentation of costs for Collecting and Meter Reading Costs. See explanation as reflected in Question c. for further information. Better collections were made in 2006. In addition, OPUCN applied for and received retroactive recovery of DRC from Bad Debt writes offs from the Ministry of Finance. This allowed a 70k reduction in bad debt costs.

f. *From the table above the Community Relations Expense is reported to have declined by $738,534. Please note that Board staff re-allocated the Energy Conservation value of $222, 319 as this value is funded by third tranche MARR funds. This is almost the same value as per the OM&A Detailed Cost Table on Exhibit 4, Tab 2, Schedule 1, Page 2, subject to an immaterial difference and reallocation of energy conservation expenses. No variance analysis was presented. Please prepare a detailed variance analysis to account for the $738,534. Please specify the drivers which will explain the difference between 2006 OEB approved and 2006 Actual.*

The most significant driver for the reduction in costs was the fact that a contract was signed with a new ASP Billing Provider for 2006. This change is reflected in the Miscellaneous Customer Service and Informational Expenses account. The contract for the ASP Billing Provider used in 2004 (reflected in EDR 2006) had been at a much higher contract rate than the new ASP Billing firm. One other driver is the fact that the Supervision (Community Relations) account was segmented from the rest of management costs recorded in the Administration account and applied in 2006 to proper grouping Community Relations.

Exhibit 4-2-1-1	**Community Relations**	2006 Board Approved	2006 Actual	Variance form 2006 Board Appr		**Materiality Analysis (>=1% total distribution costs less PILs**	2006 Board Approved	2006 Actual	Variance form 2006 Board Approved	Variance % (of Dist. Exp.)
5405	Supervision	-	109,253	109,253	5405	Supervision	-	109,253	109,253	1%
5410	Community Relations - Sundry	32,634	14,861	(17,772)						
5415	Energy Conservation	-	222,319	222,319	5415	Energy Conservation	-	-	222,319	3%
5420	Community Safety Program	194,587	208,165	13,578						
5425	Miscellaneous Customer Service and Informational Expenses	1,299,102	455,509	(843,593)	5425	Miscellaneous Customer Service and Informational Expenses	1,299,102	455,509	(843,593)	-10%
5505	Supervision	-	-	-			1,299,102	564,762	(512,021)	-1.3%
5510	Demonstrating and Selling Expense	-	-	-	-	-	-	-	-	-
5515	Advertising Expense	(595)	-	595	-	-	-	-	-	-
5520	Miscellaneous Sales Expense	-	-	-						
	Sub-Total	1,525,728	1,010,108	(515,620)						

The amount in the Energy Conservation account (5415) includes the costs associated with a new program that complies with CDM spending requirements defined by the OEB.

g. *From the table above the Administration and General Expenses are reported to have increases by $28,810. This is the same value as per the OM&A Detailed Cost Table on Exhibit 4, Tab 2, Schedule 1, Page 3 after removing Taxes other than Income Taxes. However the variance analysis on Exhibit 4, Tab 2, Schedule 2, Page 1 the reported decline is $363,895. The 2006 OEB approved is reported here as $1,981,951 and the 2006 Actual is reported as $1,618,056. OPUCN explains in the variance analysis that "Overall figures were correct but some account transactions did not match exactly with a single USofA account". Please prepare a detailed reconciliation to account for the difference between the values from the table above and the last referenced schedule.*

The variance for Exhibit 4, Tab 2, Schedule 1, Page 1 when eliminating Taxes Other than Income Taxes in fact amounts to $22,355 and not $28,810 as recorded in the table produced above. The differences in totals between the Tables in Exhibit 4, Tab 2, Schedule 1, Page 1 and Exhibit 4, Tab 2, Schedule 2, Page 1 is accounted for by the fact that Exhibit 4, Tab 2, Schedule 2, Page 1 only includes in the account grouping those accounts whose variance is over the threshold of 1% of total distribution expenses while Exhibit 4, Tab 2, Schedule 1, Page 1 is all Administration accounts. Please see the Table below for these comparisons.

Exhibit 4-2-1-1	Billing and Collections	2006 Board Approved	2006 Actual	Variance form 2006 Board Appr	Exhibit 4-2-2-1	**Materiality Analysis (>=1% total distribution costs less PILs**	2006 Board Approved	2006 Actual	Variance form 2006 Board Approved	Variance % (of Dist. Exp.)
	Administrative and General Expenses									
5605	Executive Salaries and Expenses	470,000	480,000	10,000	5605	Executive Salaries and Expenses	470,000	480,000	10,000	0%
5610	Management Salaries and Expenses	809,979	637,673	(172,306)	5610	Management Salaries and Expenses	809,979	637,673	(172,306)	0%
5615	General Administrative Salaries and Expenses	833,217	1,636,610	803,393	5615	General Administrative Salaries and Expenses	833,217	1,636,610	803,393	2%
5620	Office Supplies and Expenses	186,300	167,356	(18,944)	5620	Office Supplies and Expenses	186,300	167,356	(18,944)	
5625	Administrative Expense Transferred Credit	(380,562)	(722,844)	(342,282)	5625	Administrative Expense Transferred Credit	(380,562)	(722,844)	(342,282)	-4%
5630	Outside Services Employed	532,925	412,248	(120,677)						
5635	Property Insurance	37,680	62,251	24,571						
5640	Injuries and Damages	108,423	100,859	(7,564)						
5645	Employee Pensions and Benefits	452,328	439,811	(12,518)						

5650	Franchise Requirements	-	-	-	-					
5655	Regulatory Expenses	138,944	130,298	(8,646)	-					
5660	General Advertising Expenses	13,815	1,300	(12,514)	-					
5665	Miscellaneous General Expenses	53,198	63,026	9,828	-					
5670	Rent	264,000	264,000	-	-					
5675	Maintenance of General Plant	621,904	491,918	(129,985)	-					
5680	Electrical Safety Authority Fees	-	-	-						
5685	Independent Market Operator Fees and Penalties	-	-	-						
~~6105~~	Taxes Other Than Income Taxes	~~-~~	~~-~~	~~-~~						
	Sub-Total	4,142,151	4,164,507	22,355			1,918,935	2,198,794	279,860	0.7%

The principle reason for the overall percentage increase in costs for 2006 Actual over 2006 Approved was the added costs incurred for maintaining CDM Programs.

h. *Please provide verification as to which "Overall figures" OPUCN is referring to in their statement as referenced in h) above. For the correct values please specify the drivers which will explain the difference between 2006 OEB approved and 2006 Actual.*

Costs were filed based on historic results of 2004 and so actual cost items reflect changes during a two year period of time rather than the one year period assumed when these comparisons are typically calculated. Additionally, many management accounts did not correctly match with USofA account buckets during 2004. Overall figures were correct but some account transactions did not match with exact USofA account groupings. Accounts were also affected by a better segmentation of costs introduced after 2004. For instance, Supervision Expenses items related to a UsofA Grouping were segmented from the rest of management (Administration) costs and applied in 2006 to the proper grouping of Collections and Billings. Further driver is the increased improvements in recording Cost allocations. In particular, the allocation of overhead and support costs for Capital Projects was improved to better reflect the guidelines detailed in APH Article 340. The cost allocation account mainly affecting administration variance is associated with Stores Operations.

i. *From the table above the Taxes other than Income Taxes Expense is reported to have increases by $241,985. This is the same value as per the OM&A Detailed Cost Table on Exhibit 4, Tab 2, Schedule 1, Page 2. No variance analysis was presented. Please prepare a detailed variance analysis to account for the $516,215. Please specify the drivers which will explain the difference between 2006 OEB approved and 2006 Actual.*

In regards to the variance analysis of the amount of $516,215 as indicated in the table prepared by Board Staff, OPUCN is unable to locate that amount in the rate application filing. However, a variance analysis has been prepared using the amounts indicated in Exhibit 4, Tab 1, Schedule 1 of the rate application.

		2006 Board Approved	2006 Actual	Variance from 2006 Board Approved
6105	Taxes Other Than Income Taxes	145,719	387,704	241,985

The 2006 Approved total for Taxes Other Than Income Tax has had the Capital tax amount eliminated. Based on the table below, the Capital tax amount should have been $240,000. The total of both Municipal Taxes and Capital Taxes for 2006 Approved is the amount of $385,719. This amount differs from that for 2006 Actual year ($387,704) by approximately (0.5%). For the 2008 test year, Capital taxes should be reflected as $0 and will not affect test year results.

	2006 Board Approved	2006 Actual	Variance from 2006 Board Approved
Municipal Taxes	145,719	145,704	15
Capital Taxes	240,000	242,000	(2,000)
	385,719	387,704	(1,985)

29. *Ref: Exhibit 4 / Tab 1 / Schedule 1 / Page 2*

Exhibit 4, Tab 1, Schedule 1, Page 2; please prepare a reconciliation comparing the 2006 Actual values for Total Operating Costs of $14,455,500 to the 2006 audited financial statements. Please explain reasons for all differences if they occur.

SUMMARY OF DISTRIBUTION EXPENSES						
Exhibit 4, Tab 1, Schedule 1, Page 2			**As per Audited Financial Statements**			**Differences**
	2006 Actual					
OM&A expenses						
Operation (Working Capital)	(58,578)		(58,578)			0
Maintenance (Working Capital)	1,067,636		1,067,636			0
Billing and Collections	2,053,343		2,053,343			0
Community Relations	1,010,108		1,010,108			0
Administrative and General Expenses	4,164,507	**8,237,016**	4,098,904	**8,171,413**		65,603 (Note 1)
Amortization Expenses	3,659,116	**3,659,116**	3,659,116	**3,659,116**	3,659,116	0
			0			

Other Operating Costs (OCT and Municipal Taxes)	387,704	**387,704**	387,704	**387,704**	8,559,117	0
			0			
Income Taxes (provision)	2,171,700	2,171,700	2,125,000	2,125,000	2,125,000	46,700 (Note 2)
		14,455,536		14,343,233	14,343,233	112,303

Note 1: On the Audited Financial Statements Capitalized Interest is segmented from OM&A and reflected as Interest Expense offset.

Note 2: PILs on Audited Financial Statement was recorded as a provisional amount at time of audit. For Exhibit 4, Tab 1, Schedule 1, Page 2 , have reflected actual tax calculated as per rate 2008 filing (Calculation reflected below)

Income Tax, Large Corp. Tax & ON Capital Taxable

Summary of Income Tax Calculation

	2006 Actual
Determination of Taxable Income	
Regulatory Net Income (before tax)	**2,470,583**
Book to Tax Adjustments	
Additions to Accounting Income:	
Depreciation and amortization	3,659,000
Employee Benefit Plans - accrued, not paid	
Hedge loss - accrued	
Non-deductible meals and entertainment expense	5,840
Reserves from financial statements- balance at year end	8,608,000
Financing fees deducted in books	4,945
Actual Interest Expense	-
Research & Development ITC	-
Total Additions	**12,277,785**
Deductions from Accounting Income:	
Capital Cost Allowance	2,937,236
Reserves from financial statements - balance beg. year	8,387,075

Interest capitalized for accounting deducted for tax		
Financing Fees for Tax Under S.20(1)(e)		8,667
Deemed Interest Expense		-
Employee Benefit Plans - amounts paid		
Hedge loss - payment		
Environmental costs (incl. in amortization)		
Capitalized pension costs		
Capitalized overhead costs		
Surplus staff payments		
Total Deductions		**11,332,978**
Regulatory Taxable Income		**3,415,390**
Corporate Income Tax Rate		36.120%
Subtotal		
Less: R&D ITC (0.3)		
Regulatory Income Tax		**1,233,639**

Calculation of Utility Income Taxes

Income Taxes (Line 23)	1,233,639
Large Corporation Tax (Line 14, page 2)	-
Total Taxes	**1,233,639**

Provision for Income Taxes (PILS)

Income Tax Provision (Grossed up for Income Taxes)	**1,931,182**
Ontario Capital Tax (not Grossed up for Income Taxes)	**240,487**
Total Provision for Income Taxes (PILS)	**2,171,669**

Tax Rates

Federal Tax	22.120%
Federal Surtax	-
Provincial Tax	14.000%
Total Tax Rate	36.120%

30. *Ref: Exhibit 4 / Tab 1 / Schedule 1 / Page 2*

Please confirm OPUCN's Board of Directors final approval of the 2007 Forecast year values as presented on Exhibit 4, Tab 1, Schedule 1, Page 3.

The figures for the 2007 Forecast values are consistent with the 2007 budget. This budget was approved by OPUCN's Board of Directors before its implementation.

31. *Ref: Exhibit 4 / Tab 1 / Schedule 1 / Page 2*

a. *The 2007 IRM process provided OPUCN with a percentage rate adjustment. Please discuss what value OPUCN believes should be applied to the 2006 approved expense amount of $8,702,406 as a result of the 2007 IRM process to obtain a reasonable target for OPUCN's 2007 expenses. Please identify the 2007 amount that would be calculated, with a detailed calculation.*

b. *Please reconcile the difference between the amount calculated for 2007 above and the 2007 forecast amount of $9,192,195 in the application. What does OPUCN's management see as the drivers of this difference?*

The IRM 2007 process was based on a price cap index adjustment to distribution rates that were determined using the EDR 2006 rate process. The EDR 2006 rate process was based on capital and expense figures from 2004. Distribution rates for 2006 and by extension for 2007 are based on historic results. Changes to expenses are to be expected in the intervening 2 year period. In the case of accounts for which averaging was used to determine rates in the EDR 2006 process, changes will reflect of period more than two years. This disparity in the number of years used for comparison purposes suggests that comparisons are not valid with one year periods.

OPUCN strongly suggests that it is not reasonable to compare the results of the IRM 2007 process to 2007 Bridge year figures. The IRM process and the 2008 rate application are two very different methods for the determination of rates. OPUCN respectfully submits that it is unable to complete the request in that there is a lack of understanding as to how to utilize IRM 2007 price index factor and apply to Operating Costs on a line by line basis.

32. *Ref: Exhibit 4 / Tab 1 / Schedule 2 / Page 3*

Exhibit 4, Tab 1, Schedule 2, Page 3; the following table was modified by Board staff to review OPUCN OM&A expenses. Note rounding differences may occur, but are immaterial to this question.

OM&A Expenses	2006 Actual	Variance	2007 Bridge
Operation (Working Capital)	$341,422	-$300,450 -88%	$40,972
Maintenance (Working Capital)	$667,636	$330,774 50%	$998,410
Operations and Maintenance	$1,009,058	$30,324 3%	$1,039,382
Billing and Collections	$2,053,343	$129,261 6%	$2,182,604
Community Relations *(note 1)*	$787,789	$96,377 12%	$884,166
Administrative and General Expenses	$4,164,507	$921,536 22%	$5,086,043
Total OM&A Expenses	$8,014,697	$1,177,498 15%	$9,192,195
CDM - Energy Conservation *(note 1)*	$222,319	-$222,319 -100%	$0
Taxes Other than Income Taxes	$387,704	$5,296 1%	$393,000
Total Distribution Expenses	**$8,624,720**	**$960,475** 11%	**$9,585,195**

Note 1 : The CDM amount of $222,319 was removed from Community Relations

a. *Exhibit 4, Tab 2, Schedule 1, Page 1 under Operation expense OPUCN shows Miscellaneous Distribution expense increasing by $312,370 in 2007 Bridge. Please provide detailed explanation of the origin and nature of this account, and drivers to explain this increase.*

The Miscellaneous Distribution Expenses account accumulates expenses of our Engineering (Technical Services) Department. Offsets to total expenses are cost allocations or OPUCN overhead costs that are directly related to Engineering activities. The reason this account reflects a continued credit amount is that Engineering support costs (eg. facilities, IT, supervisors and management labour and benefits) are recorded in other accounts and not the Miscellaneous Distribution Expenses account. Therefore,

costs allocations (credit) are recorded in full, but the overhead and support costs (debits) are not reflected in the account. In 2006, OPUCN had two very large and unusual projects, the GM Sports Center and the 401 Interchange (MTO). While Engineering costs and support costs reassigned to support these two very large projects significantly increased, the cost allocation or credit to this account also significantly increased. However, even though cost allocations significantly increased, the support costs realized for these projects were recorded in other USofA accounts.

Going forward, 2007 and 2008 reflect significant declines in the credit balance in this account as no major projects of this nature are projected.

b. *From the table above OPUCN's Billing and Collections expenses are shown to increase by $129,261. On Exhibit 4, Tab 2, Schedule 1, Page 2 under Billing and Collections is the line item identified as Bad Debt Expense. Bad Debt Expense is shown increasing from $211,765 in 2006 Actual to $282,000 in 2007.*

    II. *Please provide details of the components (i.e. energy sales, work order recoveries etc.) that are included in Bad Debt Expenses.*

The variance between Actual 2006 with $211,765 and 2007 Bridge of $282,000 is $70,235. This difference represents the $70,000 that was applied for and received in rebate from OEFC in respect to DRC associated with bad debt write off accounts. This claim was found permissible and was for DRC charged up to October 2006 (rebate received November 2006). Therefore, OPUCN utilized the same historic bad debts amount. Oshawa depends heavily on the automotive manufacturing sector and concerns over layoff notices in the late summer and fall of 2007 in the automotive manufacturing industry suggest that the amount proposed is likely too low. Further to this matter Oshawa has both a large College and University and their associated "transient" population which often "skips" before paying their final bill at the end of the school year. This has had an effect on bad debts incurred.

    III. *Please describe methodology(s) employed by OPUCN to calculate the value for Bad Debt Expense.*

Please see the response above.

c. *From the table above OPUCN's Administrative and General Expenses are increasing by $921,536. On Exhibit 4, Tab 2, Schedule 2, Page 4 OPUCN presents a variance analysis for Management Salaries and Expenses. In the explanation OPUCN includes references to other costs being system load study, membership in ESA, OEB regulatory costs. Please provide a detailed expense driver analysis in the format as described below to clarify the specific items that are affecting this account.*

Significant drivers for change in these accounts include: changes in liability and property insurances, including an increased property insurance premium and improved Directors and Officers coverage; average compensation increases of 3% for all employee classifications; a new staff incentive program; an actuarial study by Aon consultants which resulted in changes in the accrual for future employee benefits; additional costs of the new conservation services department; and CDM Expenditures. The details are contained in the table below.

	2006 Actual	2007 Bridge	Variance form 2006 Actual	Comments
Administrative and General Expenses				
5605 -Executive Salaries and Expenses	480,000	480,000	-	
5610-Management Salaries and Expenses	637,673	726,591	88,918	Variance due to an overall compensation increase of 3%; the return of a staff Pregnancy Leave; and a new staff incentive program allocation of $65,000 for 2007
5615-General Administrative Salaries and Expenses	1,636,610	2,009,560	372,950	Variance due to an overall compensation increase of 3%; an increase of $173,000 in accrual for future benefits, based on the AON Actuarial study; and $154,000 to cover costs for a new Conservation Services Department. These expenditures were offset by a reduction in sub-contracting costs and the re-assignment of one Staff Member's costs.
5620-Office Supplies and Expenses	167,356	165,149	(2,207)	This account includes costs for a load system study and a new ESA membership.
5625-Administrative Expense Transferred Credit	(722,844)	(638,000)	84,844	Reduced transfers /cost allocation in 2007.
5630-Outside Services Employed	412,248	373,008	(39,240)	A reduction consulting costs implemented in 2007 was partially offset by higher audit and tax preparation costs.
5635-Property Insurance	62,251	104,669	42,418	Increased property insurance premiums in 2007.
5640-Injuries and Damages	100,859	153,531	52,672	Increased coverage for Directors and Officers insurance (result of independent insurance study).
5645-Employee Pensions and Benefits	439,811	455,253	15,442	

5650Franchise Requirements	-	-	-	
5655-Regulatory Expenses	130,298	429,818	299,520	This is a new account set up to record CDM Operating expenditure of $297,000 mandated by the OEB. This amount was recorded as an offset to revenue in 2007. This is a one time occurrence and will not be repeated in 2008.
5660-General Advertising Expenses	1,300	1,579	279	
5665-Miscellaneous General Expenses	63,026	64,325	1,299	
5670-Rent	264,000	264,000	-	
5675-Maintenance of General Plant	491,918	496,560	4,641	
5680-Electrical Safety Authority Fees	-	-	-	
5685-Independent Market Operator Fees and Penalties	-	-	-	
6105-Taxes Other Than Income Taxes	-	-	-	
Sub-Total	**4,164,507**	**5,086,043**	**921,536**	

d. *From the table above OPUCN's Administrative and General Expenses are increasing by $921,536. On Exhibit 4, Tab 2, Schedule 2, Page 5 OPUCN presents a variance analysis for Regulatory Expenses. In the explanation OPUCN includes references to "a new sub-account to comply with an OEB requirement in 2007 to record CDM operating expenditures of approximately $297,000"*

I. *Please confirm the true value of the CDM expenditure that OPUCN has included in this account.*

Based on Third Tranche capital and operating costs expenditures for 2007, the amount of $297,000 is correct. However we anticipate that an expenditure of $70,000 will be made in the 2008 Test year for CDM. This is because full CDM operating expenditures were not made before September 2007 nor will they be made by December 31, 2007. OPUCN requested an extension for the dispersal of our remaining CDM expenditures from the OEB in October 2007. Delays in certain of the CDM projects necessitate this delay until 2008.

II. *Please confirm origin of the CDM expenditure. Is the value originating from the Third Tranche MARR, an OPA funded program or some other form of program? If other form of program please provide details on program.*

All expenditures in this account 5415 CDM Operating Expenditures are associated with Third Tranche MARR program. No OPA funded programs are included.

III. *Please provide copies of all supporting documentation that OPUCN has obtained and used to support the establishment of the "new sub-account to comply with an OEB requirement". Include with the submission a detailed discussion on OPUCN accounting process to record the CDM related transactions.*

The account is used to record operating expenses associated with expenditures associated with OEB Board approved CDM programs which were funded via the third tranche of MARR in the amount of $1.744 million. The guidelines for use of account 5415 were based on the APH Frequently Asked Questions as issued December 2005. Third tranche MARR revenue had been collected up to April 2006. Expenditures of the approved CDM funds were to be completed by September 2007. In accordance with the guidelines from the December 2005 APH FAQ, OPUCN recorded our third Tranche MARR CDM revenues by applying 1/12th of the approved amount into accounts 4080, 1565, and 1566. Capital Asset expenditures were recorded via 2055 WIP, 18XX/19XX Capital Asset, and the 1565 CDM Expenditures and Recoveries and 1566 CDM Contra Accounts. The treatment of approved CDM operating expenditures, again per APH FAQ, is to record the expense credit to the 1565 debit/ 5415 Energy Conservation expense account. The contra recording is to debit account 5415 and credit the account 1566 CDM Contra account. At the end of the 2006 fiscal year, OPUCN budgeted the committed operating and capital expenditures for the total $1.477 million funding. The portion committed to operating expenses was factored by 9/11 to allow proportionate CDM operating expenses to September 2007.This result was then deducted from the amount already spent up to December 31, 2006. The net amount for operating expenses for 2007 was then applied to a deferral CDM account with a debit to revenue 4080 and a credit to the CDM deferred account. As OPUCN was committed to spending this amount as recorded in deferred expenses in 2007, the amount of the deferred CDM account, $297,000 was budgeted for expense to account 5415 CDM Operating Expenditures. As CDM Approved Operating expenditures occurred during 2007, the expenditure was recorded to the deferred expenses CDM account with a debit changed to the 5415 CDM Operating Expenditures account. By end of September 2007, the amount in the deferred account would be $0 realizing that Third Tranche CDM expenditures would have been completed. However, it should be noted that this plan

was not completely successful and not all of the approved expenditures were completed before September 2007. Please see section d-I above for more details.

33. *Ref: Exhibit 4 / Tab 1 / Schedule 1 / Page 2*

Has OPUCN presented the 2008 OM&A budget as reported in Exhibit 4, Tab 1, Schedule 1, Page 3 to its Board of Directors and received final approval for the budget expenditures? If so, please confirm the approved OM&A expenditures. If not please provide information as to when OPUCN will be presenting the budget for approval by its Board.

OPUCN has presented the 2008 OM&A projections to the Board of Directors for informational purposes but did not seek full approval at that time. The Schedule is being used to develop a full budget presentation to the Board which it will then subject to full scrutiny. The Board of Directors meets to consider budgets in December of each year and will be doing so in December 2007.

34. Ref: Exhibit 4 / Tab 1 / Schedule 1 / Page 3

The following table was modified by Board staff to review OPUCN OM&A expenses. Note rounding differences may occur, but are immaterial to this question.

OM&A Expenses	**2007 Bridge**	**Variance**	**2008 Test**
Operation (Working Capital)	$40,972	$401,765 981%	$442,737
Maintenance (Working Capital)	$998,410	$30,261 3%	$1,028,671
Operations and Maintenance	$1,039,382	$432,026 42%	$1,471,408
Billing and Collections	$2,182,604	$65,741 3%	$2,248,345
Community Relations *(note 1)*	$884,166	$116,050 13%	$1,000,216
Administrative and General Expenses	$5,086,043	$640,601 13%	$5,726,644
Total OM&A Expenses	$9,192,195	$1,254,418 14%	$10,446,613
CDM - Energy Conservation *(note 1)*	$0	- $0	- $0

Taxes Other than Income Taxes	$393,000	0% -$47,550 -12%	$345,450
Total Distribution Expenses	**$9,585,195**	**$1,206,868** 13%	**$10,792,063**

Note 1 : The CDM amount of $222,319 was removed from Community Relations

a. *Exhibit 4, Tab 2, Schedule 1, Page 1 under Operation expense OPUCN shows Meter Expense increasing by $75,348 in 2008 Test. Please provide drivers to explain this increase.*

The increase in $75,348 is mainly associated with the proposed hiring of a Meter Technician Apprentice to fill a vacant position. Please see Exhibit 4, Tab 6, Schedule 3 of the rate application for further information concerning this position.

b. *Exhibit 4, Tab 2, Schedule 1, Page 1 under Operation expense OPUCN shows Miscellaneous Distribution expense increasing by $107,072 in 2008 Test. Please provide detailed explanation of the origin and nature of this account, and drivers to explain this increase.*

The increase of $107,072 in mainly associated with proposed hiring of a Technical Services Technician. Resource shortages and work load demand necessitate the proposed hiring in the Technical Services (Engineering) Department. Please see Exhibit 4, Tab 6, Schedule 9 of the rate application for further information concerning this position.

c. *Exhibit 4, Tab 2, Schedule 1, Page 3 under Administrative and General Expense OPUCN shows Regulatory expense increasing by $12,895 in 2008 Test. Confirm that OPUCN has included in this account the $297,000 in CDM expense that was included in the 2007 Bridge year value.*

The $297,000 in CDM expenses was included in both Bridge 2007 and Test 2008. Please see question 32-d-I for further information on this matter. OPUCN projects CDM expenditures of $70,000 in Test 2008, as per the extension filing to the OEB. The letter, dated October 30, 2007, requests an extension to February 29, 2008 for the remaining CDM expenditures.

35. *Ref: Exhibit 4 / Tab 1 / Schedule 2 / Page 1*

Exhibit 4, Tab 1, Schedule 2, Page 1; please prepare a comprehensive listing of all operational costs by work unit for smart meter included in the 2008 budgets. Include in this listing the work unit where the smart meter cost is accounted for in the budgets, description of activity, and amount budgeted. In particular please identify for each of the reported budget amount whether OPUCN considers the cost to be a component of minimum functionality or if the amount is incidental/incremental to minimum functionality.

OPUCN is unable to identify this schedule. No request was made in the application for funding for smart meters beyond the existing generic provision of $0.27 per customer. OPUCN has not yet received permission to procure such meters and does not yet know which supplier or meters will be required.

Loss Factors

36. *Ref: Exhibit 4, Tab 2, Schedule 8, Pages 1 and 2*

The reference provides loss factor calculations in a table format for 2003 to 2006.

a. *With respect to row H (Distribution Loss Adjustment Factor):*

I. *Please explain the purpose of this row.*

Row H is the OEB Approved Total Loss Factor for Secondary Metered Customers with demand < 5000 kW as reflected in the Tariff of Rates and Charges of the Decision and Order May 1, 2007. The row can be used as a comparison to the calculated loss factor (Row G).

II. *Please confirm if this row has been titled incorrectly as "Distribution Loss Adjustment Factor".*

Perhaps a more appropriate title would be "Total Loss Factor-Secondary Metered Customer < 5000 kW"

III. *Is the row H value (1.0466) for years 2003 to 2006 derived from the data, and if so, please explain the calculation?*

The figures in row H are from approved OEB Tariff Sheet and were not derived from the data. The figures reflected in answer of question 36 d i) and II) reflect calculated values.

b. *With respect to row G (Loss Factor):*

I. Please confirm if this row represents Distribution Loss Factor (DLF).

OPUCN confirms that this row represents Distribution Loss Factor (DLF).

II. Please provide an explanation for the 17.9% increase in the row G value from 2005 (1.0402 i.e. 4.02%) to 2006 (1.0474 i.e. 4.74%).

Although we have maintained a DLF below 5% and continue to provide resources to reduce losses, losses have increased since 2005. One cause of the increase is that there has been a noticeable increase in “grow house" activity in Durham Region in general and Oshawa in particular. This increase has been confirmed via communications with Durham Regional Police authorities in Oshawa, as well as the amount of news items on the subject in local media. OPUCN continues to invest in equipment and technology that assists in controlling losses in the distribution system. These investments include but are not limited to the proposed replacement of the existing scada system, better meter equipment, and a new GIS system. However, illegal routing around meter points remains a concern. Losses can also be reflected from unmetered loads, technical losses resulting from the operation of the distribution system, and non-technical losses such as theft other than that associated with “grow houses”. Annual results could also be influenced by abnormalities in yearly statistics data. The presentation of the Loss Factor (Three Year Average) was to try to compensate for these possible abnormalities.

c. *Since DLF and Total Loss Factor (TLF) have not been explicitly provided for the test year 2008:*

I. Please confirm if the 3-year average loss factor provided for 2006 (1.0440 i.e. 4.40%) is intended to be the forecast value for DLF for the test year 2008 – if it is not, please provide the forecast value.

The three year average of DLF of 1.0440% is a good basis, at this time, for forecasting the value for DLF for 2008.

II. Please provide the Supply Facilities Loss Factor (SFLF) used to convert DLF to the corresponding TLF. Please provide an explanation if the SFLF is other than the industry norm of 1.0045.

OPUCN continues to use a Supply Facilities Loss Factor (SFLF) of 1.0045

d. *In the latter part of the table, after the sub-title "Total Utility Loss adjustment Factor":*

I. There are 6 rows labeled TLF. There should be 4 TLF rows at most (> and < 5,000 kW for each of Primary and Secondary). Please label rows "DLF" appropriately.

Board Staff are correct. There should be only four rows. Please find corrected TLF data in the table below.

Distribution Loss Factors (DLF)	2006
Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0440
Total Loss Factor - Secondary Metered Customer > 5,000kW	1.0100
Total Loss Factor - Primary Metered Customer < 5,000kW	1.0335
Total Loss Factor - Primary Metered Customer >5,000kW	1.0000

II. Of the 8 rows in total including the 6 rows addressed above, 2 rows are unpopulated. Please populate and label these as appropriate.

Total Loss Factors (TLF)	
Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0487
Total Loss Factor - Secondary Metered Customer > 5,000kW	1.0145
Total Loss Factor - Primary Metered Customer < 5,000kW	1.0382
Total Loss Factor - Primary Metered Customer >5,000kW	1.0045

OPUCN is proposing to increase the distribution loss factor from 1.0444 to 1.0419 and the total loss factor to 1.0487. LUI has based its calculation of the Loss Factor on the average Wholesale and Retail kWh over 2004, 2005 and 2006.

Taxes

37. *Ref: Exhibit 4/Tab 3/Schedule 1*

For the 2006 tax year, please provide the following:

I. Actual federal T2 tax return and supporting schedules – signed original and any returns that were subsequently amended and re-filed;

II. Actual Ontario CT23 tax return and supporting schedules – original and any returns that were subsequently amended and re-filed;

III. Financial statements that were submitted with the tax returns to the Ministry of Finance; IV) Notices of Assessment, and any Notice(s) of Re-assessment, including Statement of Adjustments, received from the Ministry of Finance for the 2006 tax year; and

IV. Any correspondence between the Ministry of Finance and OPUCN regarding any tax items, or tax filing positions that may be in dispute, or under consideration or review, that may affect the tax situation of the utility for 2006 or future years.

Please find all of this information attached as Appendix A to this document. There has been no correspondence between the Ministry of Finance and OPUCN which may affect the tax situation for 2006 or future years.

38. Ref: Exhibit 4/Tab 3/Schedule 1/p1-2

a. *Depreciation and amortization shown in the tax calculations for each year 2006, 2007 and 2008 do not agree with the depreciation shown on E4/T2/S7/P2. Please explain why.*

Exhibit 4 Tab 2 Schedule 7 Page 2 reflects what would be estimated depreciation values for accounting or management financial statement purposes. The table has been presented to allow Board to identify that OPUCN utilizes OEB Accounting Policy Handbook and CICA accepted depreciation rates.

An account example is included below to provide further information as to how depreciation is calculated for each Table.

Exhibit 4 Tab 2 Schedule 7 Page 2		**2008 Test**		
		Gross Assets	Depreciation Rate	Depreciation Expense
1835	Overhead Conductors and Devices	44,258,887	4%	1,770,355

Gross Asset 1 Jan 07	38,274,196		
Additions 2007	2,731,013		
Additions 2008	3,253,678		
Gross Asset Value 31 Dec 08	44,258,887	4%	1,770,355.48

$44,258,887 x 4% = $1,770,355.48

The amount of Depreciation reflected in Exhibit 4 Tab 3 Schedule 1 Page 1 is $3,659,000, which agrees with both the 2006 tax filings and Audited Financial Statements for that year.

b. *Non-deductible meals and entertainment expense are added back in the calculation. Please explain why these charges, which are not deductible for tax purposes, should true up to the ratepayers.*

Non-deductible meals have been recorded in order to be compliant with CRA and Ministry of Finance income tax requirements. Further, Non-deductible meals were recorded in annual SIMPILS filings as instructed by the OEB.

c. *Interest expense for 2007 and 2008 are forecast. Why is OPUCN forecast to have higher interest expense than deemed in a forward test year application?*

Interest expense was thought to be lower than deemed early in the application process. However, delays in the completion of some capital projects have affected accounts 6040-Allowance for Borrowed Funds and 6042- Allowance For Other Funds Used During Construction. This has resulted in the excess position for interest in the 2008 Test Year.

6040-Allowance for Borrowed Funds Used During Construction--Credit	67,603
6042-Allowance For Other Funds Used During Construction	70,065

d. *Please provide a table that describes the reserves, and explains all of the causes of the difference between the reserves added back and deducted in each year 2006, 2007 and 2008.*

OPUCN has three reserve tax items - Accrued Employee Future Benefits, Accumulated Sick Leave, and Deferred Income. Accumulated Sick Leave is provided as per a condition in the Union Agreement which locks in accumulated sick leave for those staff employed prior to 1979. When an employee who qualifies for the 1979 agreement retires they can receive a lump sum for the amount of sick leave to which they are entitled. In order to project the balance of this item, our HR Department determines who is eligible to retire and discounts from the total balance of this account the amount that such employees are entitled to. One eligible employee is expected to retire during the 2008 Test year and so the accumulated sick leave amount to which the employee is entitled is deducted. Deferred Income is reduced by an amount as defined in Union contract. It is expected that Test Year 2008 will be last full year in which this amount will be required.

2006 Actual

Description	Prior Year Ending Balance	Non-Distribution Eliminations Sign Convention: Increase (+) Decrease (-)	Utility Only Opening Balance	Eliminate Amounts Not Relevant for Test Year Sign Convention: Increase (+) Decrease (-)	Year Adjusted Opening Balance	Add (+)	Deduct (-)	Ending Balance	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)			0		0			0	0	
Tax Reserves Not Deducted for accounting purposes										
Reserve for doubtful accounts ss. 20(1)(l)			0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)			0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)			0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)			0		0			0	0	
Other tax reserves			0		0			0	0	
			0		0			0	0	
			0		0			0	0	
Total Tax Reserves	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Accounting Reserves (not deductible for Tax Purposes)										
General Reserve for Inventory Obsolescence (non-specific)			0		0			0	0	
General reserve for bad debts			0		0			0	0	

Accrued Employee Future Benefits:	7,797,170		7,797,170		7,797,170	378,830		8,176,000	(378,830)	
- Medical and Life Insurance			0		0			0	0	
-Short & Long-term Disability			0		0			0	0	
-Accumulated Sick Leave	244,905		244,905		244,905		(47,905)	197,000	47,905	
- Termination Cost			0		0			0	0	
- Other Post-Employment Benefits			0		0			0	0	
Provision for Environmental Costs			0		0			0	0	
Restructuring Costs			0		0			0	0	
Accrued Contingent Litigation Costs			0		0			0	0	
Accrued Self-Insurance Costs			0		0			0	0	
Other Contingent Liabilities			0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0		0			0	0	
Other Accounting Reserves			0		0			0	0	
Deferred Income	345,000		345,000		345,000		(110,000)	235,000	110,000	
			0		0			0	0	
Total Accounting Reserves	**8,387,075**	**0**	**8,387,075**	**0**	**8,387,075**	**378,830**	**(157,905)**	**8,608,000**	**(220,925)**	**0**

2007 Bridge Year

Description	Prior Year Ending Balance	Non-Distribution Eliminations Sign Convention: Increase (+) Decrease (-)	Utility Only Opening Balance	Eliminate Amounts Not Relevant for Test Year Sign Convention: Increase (+) Decrease (-)	Bridge Year Adjusted Opening Balance	Add (+)	Deduct (-)	Ending Balance	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)			0		0			0	0	
Tax Reserves Not Deducted for accounting purposes										
Reserve for doubtful accounts ss. 20(1)(l)			0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)			0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)			0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)			0		0			0	0	
Other tax reserves			0		0			0	0	
			0		0			0	0	
			0		0			0	0	
Total Tax Reserves	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Accounting Reserves (not deductible for Tax Purposes)										
General Reserve for Inventory Obsolescence (non-specific)			0		0			0	0	
General reserve for bad debts			0		0			0	0	
Accrued Employee	8,176,000		8,176,000		8,176,000	352,800		8,528,800	352,800	

Future Benefits:										
- Medical and Life Insurance			0		0			0	0	
-Short & Long-term Disability			0		0			0	0	
-Accumulated Sick Leave	197,000		197,000		197,000		(69,000)	128,000	(69,000)	
- Termination Cost			0		0			0	0	
- Other Post-Employment Benefits			0		0			0	0	
Provision for Environmental Costs			0		0			0	0	
Restructuring Costs			0		0			0	0	
Accrued Contingent Litigation Costs			0		0			0	0	
Accrued Self-Insurance Costs			0		0			0	0	
Other Contingent Liabilities			0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0		0			0	0	
Other Accounting Reserves			0		0			0	0	
Deferred Income	235,000		235,000		235,000		(110,000)	125,000	(110,000)	
			0		0			0	0	
Total Accounting Reserves	**8,608,000**	**0**	**8,608,000**	**0**	**8,608,000**	**352,800**	**(179,000)**	**8,781,800**	**173,800**	**0**

2008 Test Year

Description	Prior Year Ending Balance	Non-Distribution Eliminations Sign Convention: Increase (+) Decrease (-)	Utility Only Opening Balance	Eliminate Amounts Not Relevant for Test Year Sign Convention: Increase (+) Decrease (-)	Test Year Adjusted Opening Balance	Add (+)	Deduct (-)	Ending Balance	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)			0		0			0	0	
Tax Reserves Not Deducted for accounting purposes										
Reserve for doubtful accounts ss. 20(1)(l)			0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)			0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)			0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)			0		0			0	0	
Other tax reserves			0		0			0	0	
			0		0			0	0	
			0		0			0	0	
Total Tax Reserves	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Accounting Reserves (not deductible for Tax Purposes)										
General Reserve for Inventory Obsolescence (non-specific)			0		0			0	0	
General reserve for bad debts			0		0			0	0	
Accrued Employee	8,528,800		8,528,800		8,528,800	352,800		8,881,600	352,800	

Future Benefits:										
- Medical and Life Insurance			0		0			0	0	
-Short & Long-term Disability			0		0			0	0	
-Accumulated Sick Leave	128,000		128,000		128,000		(70,000)	58,000	(70,000)	
- Termination Cost			0		0			0	0	
- Other Post-Employment Benefits			0		0			0	0	
Provision for Environmental Costs			0		0			0	0	
Restructuring Costs			0		0			0	0	
Accrued Contingent Litigation Costs			0		0			0	0	
Accrued Self-Insurance Costs			0		0			0	0	
Other Contingent Liabilities			0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0		0			0	0	
Other Accounting Reserves			0		0			0	0	
Deferred Income	125,000		125,000		125,000		(110,000)	15,000	(110,000)	
			0		0			0	0	
Total Accounting Reserves	**8,781,800**	**0**	**8,781,800**	**0**	**8,781,800**	**352,800**	**(180,000)**	**8,954,600**	**172,800**	**0**

e. *This exhibit shows an income tax rate of 34.5%. Please explain why a different tax rate, 36.12%, was used in table 1.3 on E7/T1/S1/P2 of 3 for the deficiency calculation.*

This was an oversight in the preparation of the Deficiency Schedule (Exhibit 7 Tab 1 Schedule 1 page 1). The figure should agree with the proposed tax rate for 2008. OPUCN apologizes for the error. However, the Net Deficiency Total remains correct as calculated in spite of this error.

f. *Will Oshawa use the federal income tax rate of 19.5% for 2008, introduced by the federal government on October 30, 2007, to prepare its final draft rate order?*

OPUCN proposes that the new rate of 19.5% as announced by the Federal Government on October 30th, 2007 be used in final rate order.

39. Ref: Capital Cost Allowance (CCA) E4/T3/S3/P2-5

a. *Class 1 should have been used for capital additions up to February 22, 2005 as shown in Oshawa's table. On page 2, why has Oshawa shown capital additions of $2,378,712 for the 2006 tax year in Class 1 instead of Class 47 with an 8% CCA rate?*

The tax filing for 2006 did use Class 1 instead of Class 47 and so does not utilize the accelerated CCA rate. This was an oversight which is being corrected by an amendment to OPUCN's 2005 and 2006 tax filings. E&Y, our tax preparation company, is expected to deliver the final amended return before mid- December 2007.

b. *What is the Class 98 addition of $1,310,000 made in 2006?*

Class 98 is OPUCN's Capital WIP for the year ended December 31, 2006. This CCA Class has a zero CCA rating.

c. *Please explain why the total capital additions for 2006 of $4,002,985 do not agree with the capital projects shown on E2/T3/S2/P2.*

Land Purchases which would be included in Capital Expenditures (Exhibit 2 Tab 3 Schedule 2 page 2) are usually recorded. However, in the CCA schedule does not record land or land purchases in the CCA Schedule. Further, there is a small difference is Special/ Individual Projects/ Capital WIP.

d. *For the 2008 Test Year, please explain why $3,098,592 has been shown as additions under Class 1 instead of in the correct Class 47?*

OPUCN was advised by our Tax Expert at E&Y that account 1820 Distribution Station Buildings capital expenditures are disallowed by CRA from being applied to CCA Class 47.

e. *On page 5, total additions are shown as $10,743,345 but in the capital project summary E2/T3/S2/P3 the total for 2008 is $9,871,844. Please explain the difference.*

Exhibit 2 Tab 3 Schedule 2 page 2 includes capital expenditures that are WIP in nature and the CCA schedule (Exhibit 4 Tab 3 Schedule 3 page 5) does not. As well, Land Purchases are not included in the CCA schedule.

f. *Oshawa has shown additions to capital leases of $70,000 in 2007, and $392,220 in 2008. Please explain what these leases are for, and provide any references to where the items are discussed elsewhere in the application.*

The CCA schedule for Leases is recorded as Leasehold Improvements account 1810 in the rate application filing. The projects associated with leasehold improvements, and in fact total amounts recorded in the account, are below threshold, and so not discussed in the application. Information pertaining to this item has also been recorded in the answer to Question 5a of this Interrogatory. In summary, these improvements are required for purposes of addressing reliability, safety, and customer service concerns. It has not been prudent in the past to invest in Leasehold improvements since OPUCN was without a lease for the affected facilities for the past several years. In that circumstance it would have been imprudent to invest in the buildings. OPUCN has only recently reached a five year lease agreement with the landlord, the City of Oshawa. This agreement covers the buildings containing the operations, stores, administration, garage, meter, technical service, MIS, Customer Service, and other operations of OPUCN. The buildings are in urgent need of renovation as improvements have been

delayed until the lease agreement was finalized. Conditions of old buildings and lack of investment in buildings have resulted in noticeable environmental and safety concerns for Staff, Customers, and other stakeholders. Employee productivity is also identified as a concern with the environmental challenges inherent in the occupancy of old and poorly maintained buildings. A "catch up" investment is needed to bring the buildings up to safe and efficient conditions and the institution of a long term lease has now made it prudent to make such an investment.

The details of the proposed investment are presented in the following table.

	Expenditure	**AFUDC**	**Total**	**Comments**
Main office Building Washroom Refurbishment (4)	40,000	1,880	41,880	Old building that has not had renovations for over 15 years. Environmental and safety concerns. Improved productivity of staff in more efficient work environment
Upgrade and re-wire electrical service in main office	25,000	0	25,000	
Lower basement tidy up, paint, and flooring	5,000	0	5,000	
Energy efficient lighting retrofit main office	10,000	0	10,000	
Main Office Windows Replacement -Leasehold Improvements	130,000	6,110	136,110	
T&D Building Renovate/ Expand/ Washroom -Leasehold Improvements	40,000	1,880	41,880	
Loading Dock - Repair and Refurbish	10,000	0	10,000	
Main Office - External Concrete Repairs	20,000	0	20,000	
Bagot St. Yard - Replace Fencing (Security Concern)	50,000	0	50,000	Reduced risk of theft of inventories / equipment, reduced risk of damages. Safety of Security personnel.
Bagot St. Yard - Upgrade Lighting	50,000	2,350	52,350	
Total			**392,220**	

40. Ref: Ontario Capital Tax E4/T3/S4/P1

In the 2008 Test Year, the exemption is shown as $12,500,000. The deduction allowed for 2008 is $15,000,000. Please explain why Oshawa used the lower deduction amount.

This was an oversight in that the working papers of OPUCN identify the OCT Exemption amount as $15,000,000 instead of $12,500,000. The model unfortunately did not adjust to the new value. OPUCN expects to adjust this value before the final rate order is issued. The adjustment has been calculated to be $141,811 and not $148,936 for the 2008 Test year. The new capital tax calculations are presented in the table following.

Capital Taxes Re-calculated using the $12,500,000 OCT exemption for 2008.

	2006 Board Approved		2006 Actual		2007 Bridge		2008 Test	
	Ontario	**Federal**	**Ontario**	**Federal**	**Ontario**	**Federal**	**Ontario**	**Federal**
Total Rate Base	52,969,980	52,969,980	54,263,268	54,263,268	58,724,947	58,724,947	64,758,238	64,758,238
Exemption	(10,000,000)	(50,000,000)	(10,000,000)	(50,000,000)	(12,500,000)	(50,000,000)	(15,000,000)	(50,000,000)
Deemed Taxable Capital	42,969,980	2,969,980	44,263,268	4,263,268	46,224,947	8,724,947	49,758,238	14,758,238
Rate	0.300%	0.125%	0.300%	0.125%	0.285%	0.000%	0.285%	0.000%
Gross Tax Payable	128,910	3,712	132,790	5,329	131,741	0	141,811	0
Surtax		0		0		0		0
Net Tax Payable	**128,910**	**3,712**	**132,790**	**5,329**	**131,741**	**0**	**141,811**	**0**

Capital Tax has been determined by use of Rate Base as a proxy.

Retail Transmission Rates (RTR)

41. Ref: Retail Transmission Rates

The Wholesale Network Transmission Rate will decrease 28% effective November 1 2007.

I. For each rate class, please provide a revised RTR – Network Service Rate that would be revenue neutral over the 12 month period beginning May 1, 2008. (i.e. The amount collected by the revised RTR – Network Service Rate for each rate class should equal the amount paid for the Wholesale Transmission Rate.)

The Wholesale Connection Transmission Rate will decrease 18% and the Wholesale Transformation Connection Transmission Rate will increase 7% effective November 1 2007.

II. For each rate class, please provide a revised RTR – Line and Transformation Connection Service Rate that would be revenue neutral over the 12 month period beginning May 1, 2008. (i.e. The amount collected by the RTR - Line and Transformation Connection Service Rate for each rate class should equal the amount paid for the Wholesale Connection Transmission Rate and the Wholesale Transformation Connection Transmission Rate.)

The following calculations are presented to provide the information required for questions I and II. The calculations are predicated on the assumption that kWh averages as realized in 2005, 2006, and 2006 can be used as the base for present Hydro One RTR rates.

RTR - Network

			Current Rates	**-33.42% Change**	**Proposed Base Rates**
		RESIDENTIAL	0.0059	(0.0020)	0.0039
Annual cost at new IESO rates	4,313,593	**GENERAL SERVICE**			

Annual revenue at current rates	(6,478,510)	Less than 50 kW	0.0053	(0.0018)	0.0035
Variance	(2,164,917)	Other > 50 kw > 1000 kw			
Revenue ratio	66.58%	Non Interval	1.9069	(0.6372)	1.2697
Proposed % rate change	-33.42%	Interval	2.4441	(0.8167)	1.6274
		Intermediate Use (1000 - 5000 kW)	2.4441	(0.8167)	1.6274
		Large Use (> 5000 kW)	2.6041	(0.8702)	1.7339
		Unmetered Scattered Load	0.0053	(0.0018)	0.0035
		Sentinel Lighting	1.3152	(0.4395)	0.8757
		Street Lighting	1.2929	(0.4320)	0.8609

RTR - Connection

			Current Rates	**8.22% Change**	**Proposed Base Rates**
		RESIDENTIAL	0.0045	0.0004	0.0049
Annual cost at new IESO rates	5,372,021	GENERAL SERVICE			
Annual revenue at current rates	(4,963,931)	Less than 50 kW	0.0041	0.0003	0.0044
Variance	408,090	Other > 50 kw > 1000 kw			
Revenue ratio	108.22%	Non Interval	1.4616	0.1202	1.5818
Proposed % rate change	8.22%	Interval	1.8565	0.1526	2.0091
		Intermediate Use (1000 - 5000 kW)	1.8565	0.1526	2.0091
		Large Use (> 5000 kW)	2.0258	0.1665	2.1923
		Unmetered Scattered Load	0.0041	0.0003	0.0044
		Sentinel Lighting	1.7158	0.1411	1.8569
		Street Lighting	1.6867	0.1387	1.8254

Retail Tranmission Tates (RTR)	**Present Rate**	**Change per OEB**	**New Rate (to be**	**Annual Charges IESO**

		Order	**Charged Hydro One)**	
Assumption that kWh averages as realized in 2005, 2006, and 2006 can be used as base for present Hydro One RTR rates.				
Wholesaler Network Transmission Rate	0.0054	-28%	0.0039	4,313,593
Wholesale Connection Transmission Rate	0.0046	-18%	0.0038	
Wholesale Transformation Connection Service Rate	0.0010	7%	0.0011	5,372,021

Deferral and Variance Accounts 1584 & 1586

Utilities have been required to provide information on Account 1584 RSA NW and 1586 RSVA CN to the Board as part of the quarterly RRR filings. The Board may need confirmation of the actual balances in these accounts in order to set a rate rider for the RTS rates.

III. III) What are your current balances for Accounts 1584 RSA NW and 1586 RSVA CN?

Current Balances with Interest are: 1584 RSA NW $4,107,074; and 1586 RSVA CN ($2,168,445) as at September 30, 2007.

IV. IV) Please explain how your balances in Accounts 1584 RSA NW and 1586 RSVA CN have trended or fluctuated since January 1 2005.

Account 1584 RSVA NW has seen an almost regular trend of increases in the monthly balance of the account since January 1, 2005. The only exception occurred due to the movement of the amount to the RARA account as approved by the OEB on May 1, 2006. The rates charged to customers for the Retail Transmission - Network charge is not sufficient to recover the amount charged to OPUCN by Hydro One.

Account 1585 RSVA CN has seen continued credit balances reflecting amounts owed to customers in the monthly balance of the account since January 1 2005. The only exception occurred due to the movement of the amount to the RARA account as approved by the OEB on May 1, 2006. The rates charged to customers for Connection is more than is required to recover the amount charged to OPUCN by Hydro One.

V. *V) Assuming your RTR – Network Service Rate for each rate class is revenue neutral, please provide the rate riders you would recommend beginning May 1 2008, and the duration in months for each rate rider, to reduce the balance in Account 1584 RSVA NW to a $0 balance. Please provide an explanation for the recommended duration of the rate riders.*

VI. *VI) Assuming your RTR - Line and Transformation Connection Service Rate for each rate class is revenue neutral, please provide the rate riders you would recommend beginning May 1 2008, and the duration in months for each rate rider, to reduce the balance in Account 1586 RSVA CN to a $0 balance. Please provide an explanation for the recommended duration of the rate riders.*

OPUCN presents this answer to questions V and VI. OPUCN has applied the 1884 and 1594 balances as reflected on September 30th, 2007. These balances are consistent with our RRR filing for the period. Carrying charges have been calculated and included up to April 30, 2008 for inclusion in the final total for disposition. OPUCN proposes a two year period commencing on May 1, 2008 for the disposal of the balances in the 1584 and 1585 account. The projected rate riders are expected to achieve a $0 Balance in these RSVA accounts, assuming that each rate class will be revenue neutral on and after October 1, 2007. OPUCN recommends recovery over two years to mitigate the effects of the rider for our customers. OPUCN suggests that recovery over a single year will impose undue hardship in rates for 2008.

DEFERRAL AND VARIANCE ACCOUNTS

42. Ref: Exhibit 5/Tab 1/ Schedule 1/ p2 and Exhibit 5/Tab 2/Schedule 2/p1

In the description of account 1508, OPUCN states that "this account is used to return an over collection as the result of using a Board approved rate adjustment, effective July 1,2005, to compensate for the loss of a major customer."

I. Please provide the reference number for this decision and a copy of this decision.

The Board assigned file number was RP-2004-0080/ EB-2004-0236 for the "recover the revenue shortfall resulting from the closure of its largest customer". A copy of this Decision and Order is attached as Appendix B to this submission.

II. Please provide the supporting calculation for the balance.

Recovery conditions were met December 2004. After this time Distribution revenues from Acsys Techologies Inc. remained in the 1508 Deferral Account. Final billing to Acsys was completed on 15 March 2005 which resulted in a balance owed to customer of $21,501.10.

III. Why are carrying charges not being calculated on this account?

There was a misunderstanding of the treatment of account as a Deferral Account, and the amount of the balance of the account escaped consideration for carrying charges. This same situation arises with carrying charges not being charged to two other 1508 accounts in EDR 2006 for the amounts of $6,209 and $200.00. Carrying charges were also not charged in EDR 2006 for Pre-market Opening Variance Totals.

IV. If carrying charges were being calculated on this account, what would the total be?

If carrying charges calculated to April 30, 2008, using OEB prescribe rates, the total would be $3,660.24 (owed to customer). If carrying charges are calculated to December 31, 2004 to May 1, 2006 on Deferred and Variance accounts in which carrying charges were not charged, using OEB prescribe rates, the total would be $106,538.00 (owed to OPUCN). OPUCN would propose that carrying charges on these Deferred and Variance accounts should also be included for consideration of recovery.

The balance calculations are shown below. Carrying Charges are effective for December 31, 2004 to May 1, 2006, at which point the accounts were cleared to RARA account.

	Account Number	Principle Amount	Carrying Charges
Other Regulatory Assets	1508	6,209	606
Misc. Deferred Debits - incl. Rebate Cheques	1525	200	20
Pre-Market Opening Energy Variances Total	1571	1,086,000	105,912
			106,538

43. Ref: Exhibit 2/ Tab 4/ Schedule 1

I. Is OPUCN using the Board-prescribed interest rate, as per the Board's letter to LDCs dated November 28, 2006, for construction work in progress (CWIP) since May 1, 2006?

OPUCN has complied with the Board-prescribed interest rate since 1 May 2006. The Board rate is based on Scotia Capital Inc. All-Corporates Mid Term Yield. In respect to OPUCN 2008 rate application, the prescribed rate used of 4.72%, which was current at the time of filing. The present Board prescribed interest rate for the fourth quarter of 2007 is 5.18%.

II. If not, what interest rate has OPUCN been using for CWIP?

N/A

III. If not using the Board-prescribed interest rate since May 1, 2006, what would the impact on rate base, revenue requirement and CWIP be, if OPUCN did use the prescribed interest rate?

N/A

44. Ref: Exhibit 5/ Tab 1/ Schedule 2/ p1&2

I. What are the interest rates being used to calculate carrying charges for each regulatory deferral and variance account for the period from January 1, 2005 to present?

The prescribed rates used for calculating Deferral and Variance Accounts were:

Applies up to end of	Rate
1Q2006	7.25%
2Q2006	4.14%
3Q2006	4.59%
4Q2006	4.59%
1Q2007	4.59%
2Q2007	4.59%
3Q2007	4.59%

The rate for 4Q2007 was not available at time of rate application compilation, however OPUCN does use the prescribed rates for monthly calculations used for financial reporting and RRR filings.

II. Is OPUCN using the Board-prescribed interest rate, as per the Board's letter to LDCs dated November 28, 2006, for Board-approved deferral and variance accounts since May 1, 2006?

OPUCN is using Board prescribed interest rates, as per the Board's letter dated November 28, 2006 (EB-2006-0117).

III. If not, what interest rate has OPUCN been using for calculating carrying costs on deferral and variance accounts since May 1, 2006?

N/A

IV. If not using the Board-prescribed interest rate since May 1, 2006, what would the impact on deferral and variance accounts be if using the prescribed interest rate as of May 1, 2006?

N/A

V. How are the adjustments for the period ending December 31, 2006 of $499,155 for account 1563 and $100,890 for account 1555 reflected in the RRR trial balance and audited financial statements? What do these adjustments represent?

The account 1563 December 31, 2006 balance of $499,155, is not reflected on the Audited Financials Statements (Balance Sheet), as the Auditors determined that both 1662 and 1563 PILS Accounts (used with selected OEB #3 option for Deferred PILS Treatment), cancel each other out. These accounts 1563 and 1562 are identified as 1562 deferred PILS and 1563 Contra Account on the RRR filing. The account 1555 December 31, 2006 balance of $100,890 is reflected on the Audited Financial Balance Sheet Statement in line item Regulatory liabilities (within Long Term Liabilities). The 1555 account is further identified in Note 4 of the Statements. This account appears to be missing in the RRR filing for this account. However, account 1555 is reflected in RRR filings after that of December 31, 2006.

VI. What does the adjustment for the period ending April 30, 2008 for account 1590 of ($1,523,352) represent? How will this be accounted for in the RRR trial balance and the audited financial statements?

The account 1590 represents the net of Regulatory Assets Recovery Account (RARA) and the Recovery of Regulatory Assets Recovery Account (RARA). In future audited Financial Statements and RRR Filings the same reporting treatment will be used.

The December 31, 2006 Balances of these accounts were:

Regulatory Assets Recovery Account (RARA)	2,582,373
Recovery of Regulatory Assets Recovery Account	(688,534)
	1,893,839

The net amount is reflected in the Audited Financial Statements as a Regulatory Asset and further identified in Note 4. In the RRR the account should be identified as 1590, although it appears that the figure does not match.

45. Ref: Exhibit 5/ Tab 1/ Schedule 2 Pg 1

I. Why does account 1508 Other Regulatory Assets, Subaccount OEB Cost Assessment have a zero balance?

This account is not applicable to OPUCN.

II. Why does account 1508 Other Regulatory Assets, Subaccount Pension contributions have a zero balance?

This account is not applicable to OPUCN.

III. Does OPUCN have a business relationship and service agreements with any retailers? If yes, why is there a zero balance in 1518 RCVA Retail and 1548 RCVA STR?

These accounts are not applicable to OPUCN.

IV. Why does OPUCN have a zero balance in 1565 Conservation and Demand Management Expenditures and Recoveries? Why is account 1566 not listed?

Account 1565 Conservation and Demand Management Expenditures and Recoveries should have a December 31, 2006 balance of $234.681 liability. The account is recorded within Accrued Liabilities on the Audited Financial Statements and in the RRR filings. The account is not reflected in this table because OPUCN was not requesting recovery of the account and therefore did not identify the account as either a Variance account or a Deferral account in our records.

46. Ref: Exhibit 5/ Tab 1/ Schedule

I. Is OPUCN tracking capital expenditures and incremental OM&A associated with smart meters in accounts 1555 and 1556 respectively? If yes, then please explain the reasons for these expenditures.

Once OPUCN commences with Smart Meter Investments, applicable recordings to accounts 1555 and 1556 will be made. Smart meter Investment has not been included in our 2008 Rate Application.

II. How is OPUCN accounting for its stranded meters?

OPUCN has not commenced with Smart Meter Investment Program so stranded meter recordings have yet to begin.

47. Ref: Exhibit 5/Tab 1/Schedule 1

Please list and provide a description of all outstanding Deferral and Variance accounts. This applies to deferral and variance accounts that are not being requested for disposition.

		Dec 31/06 Balance			
Account Description	**Account Number**	**Principal Portion**	**Accum. Interest**	**Total**	**Comments**
Unrecovered Plant and Regulatory Study Costs	1505			-	
Other Regulatory Assets	1508	(21,501)		(21,501)	This account is used to return an over collection as the result of using a Board approved rate adjustment, effective July 1, 2005, to compensate for the loss of a major customer (Acsys Systems Ltd.).
Preliminary Survey and Investigation Charges	1510			-	
Emission Allowance Inventory	1515			-	
Emission Allowances Withheld	1516			-	
Retail Cost Variance Account - Retail	1518			-	
Power Purchase Variance Account	1520			-	
Misc. Deferred Debits -Global Liability	1525			-	
Deferred Losses from Disposition of Utility Plant	1530			-	
Unamortized Loss on Reacquired Debt	1540			-	
Development Charge Deposits/ Receivables	1545			-	
Retail Cost Variance Account - STR	1548			-	
LV Variance Account	1550			-	

Smart Meter Capital Variance Account	1555	(100,890)		(100,890)	This account records the collection of the generic smart meter capital rate approved by the Board in the EDR 2006 hearings. OPUCN is not proposing the recovery of this account during this rate application
Smart Meters OM&A Variance Account	1556			-	
Deferred Development Costs	1560			-	
Deferred Payments in Lieu of Taxes	1562	499,155	282,952	782,107	This account records the amount resulting from application of the Board approved methodology for calculating the PILs proxy amount from 2002 onwards, and 2001 Deferred Account Allowance. As well, it hold the results from PILs Deferral Account Allowance and any entries resulting from the pass-through of variances between Deferral Account Allowance and actual results as reflected in annual tax filings to the Ministry of Finance.
PILS Contra Account	1563	(499,155)	(282,952)	(782,107)	Offset to account 1563 as permitted under Option #3 PILS Accounting Treatment
CDM Expenditures and Recoveries	1565	(234,681)		(234,681)	This account is used to track the costs incurred for conservation and demand management activities and the proxy amount equivalent to the distributor's third tranche of MARR.
CDM Contra Account	1566			-	
Qualifying Transition Costs	1570			-	
Pre-Market Opening Energy Variances Total	1571			-	
Extra-Ordinary Event Losses	1572			-	
Deferred Rate Impact Amounts	1574			-	

RSVA - Wholesale Market Service Charge	1580	(691,717)	14,147	(677,570)	This account is used to record the net of the amount charged by the IESO, based on the Settlement Invoice, for the operation of the IESO administered market and operations of the IESO; and the amount billed to customers using Board approved WMS rates.
RSVA - One-time Wholesale Market Service	1582	59,408	3,997	63,405	This account reflects the carrying charge balance of the RSVA One-time charge. This was a non-recurring IESO charge applied through the Settlement Invoice for one time Hydro One charges recorded in IESO invoices in 2002 – 2004.
RSVA - Retail Transmission Network Charge	1584	2,891,363	106,713	2,998,076	This account records the net of the amount charged by the IESO, based on Settlement Invoice entries, for transmission network services; and the amount billed to customers using Board approved rates.
RSVA - Retail Transmission Connection Charge	1586	(1,603,387)	(2,253)	(1,605,640)	This account records the net of the amount charged by the IESO, based on Settlement Invoice entries, for transmission connection charges; and the amount billed to customers using Board approved rates.
RSVA - Power Global Adjustment Variance	1588	210,554	(94,838)	115,716	Effective January 1, 2005, this account reflects the interest on the monthly differences between the IESO amount charged to customers, which is a preliminary amount calculated by the IESO for billing purposes, and the final amount charged or credited by the IESO on the monthly Settlement Invoice for Global Adjustment.
Interest Improvement Remaining from RARA Account	1592		144,447	144,447	This is the interest as a result of the establishment of the RARA account. Interest has been calculated up to December 31, 2006.

RARA Account (plus Interest Improvement Dec 31, 06)	1590	1,893,838	59,208	1,953,046	This is the account to include the regulatory asset or liability balances authorized by the Board for recovery in rates.
Sub-totals		**2,402,987**	**231,421**	**2,634,408**	

48. Ref: Exhibit 5/ Tab 1/ Schedule 2

OPUCN is applying for disposition of regulatory variance accounts as per schedule Exhibit 5/Tab1/Sch2. These totals do not correspond to totals reported to the Board as per 2.1.1 of the Reporting and Record Keeping Requirements for the period ending December 31st, 2006 plus interest accrued on those balances to April 30th 2008. Please provide the information as shown in the attached continuity schedule for regulatory assets and provide a further schedule reconciling the continuity schedule with the amounts requested for disposition on Ex5/Tab1/Sch2. Please note that forecasting principal transactions beyond December 31, 2006 and the accrued interest on these forecasted balances and including them in the attached continuity schedule is optional.

This information is attached to this submission as Appendix C.

49. Ref: Ex1/Tab3/Sch1/Pg12

The regulatory liabilities section of the balance sheet contains an "Acsys deferral" regulatory liability.

a. *What does this "Acsys deferral" represent?*

Acsys Deferral Account represents an over collection as the result of using a Board approved rate adjustment, effective July 1, 2005, to compensate for the loss of a major customer (Acsys Systems Ltd.).

The Board assigned file number was RP-2004-0080/ EB-2004-0236 for the "recover the revenue shortfall resulting from the closure of its largest customer". A copy of this Decision and Order is attached as Appendix B. Please see Question 42 for further information concerning this account.

b. *What are the journal entries used for accounting for this regulatory liability?*

Journal Entries used for accounting for this regulatory liability in 2005 were:

4050	Distribution Service Charge	16,470.81	
4080	Distribution Volumetric Charge	5,029.68	
4080	SSS Administration	0.61	
1508	Other Regulatory		21,501.10

c. *Please provide the regulatory precedent for this regulatory liability.*

The Board assigned file number was RP-2004-0080/ EB-2004-0236 for the "recover the revenue shortfall resulting from the closure of its largest customer". A copy of this Decision and Order is attached as Appendix B. Please see Question 42 for more detail.

50. Ref: Ex1/Tab3/Sch2&3

A proforma income statement is provided for 2007 and 2008. Please provide a proforma balance sheet for the same periods.

2007 BRIDGE YEAR	
Financial Statement	**Balance Sheet**
Sum of Amount	
GroupDesc	**Total**
1050-Current Assets	34,332,780
1100-Inventory	743,433
1150-Non-Current Assets	3,000
1200-Other Assets and Deferred Charges	2,571,505
1300-Intangible Plant	0
1350-Not for distributor use	0
1450-Distribution Plant	93,206,341
1500-General Plant	(21,443,201)
1550-Other Capital Assets	4,366,177
1600-Accumulated Amortization	(25,551,378)
1650-Current Liabilities	(14,472,104)
1700-Non-Current Liabilities	(12,150,182)
1800-Long-Term Debt	(30,065,665)
1850-Shareholders' Equity	(31,540,705)
Balance Sheet Total	**0**

2008 TEST YEAR	
Financial Statement	**Balance Sheet**
Sum of Amount	
GroupDesc	**Total**

1050-Current Assets	34,332,780
1100-Inventory	743,433
1150-Non-Current Assets	3,000
1200-Other Assets and Deferred Charges	1,049,566
1300-Intangible Plant	0
1350-Not for distributor use	0
1450-Distribution Plant	134,482,075
1500-General Plant	(9,050,818)
1550-Other Capital Assets	4,937,797
1600-Accumulated Amortization	(72,621,639)
1650-Current Liabilities	(5,289,566)
1700-Non-Current Liabilities	(12,150,182)
1800-Long-Term Debt	(30,065,665)
1850-Shareholders' Equity	(46,370,781)
Balance Sheet Total	**0**

51. *Ref: Exhibit 5/ Tab 1/ Schedule 3/p1*

OPUCN states on Ex5/Tab1/Sch3/Pg1 that carrying costs up to April 1, 2008 have been calculated and added to determine final total for disposal. Please recalculate the balances with interest up to April 30, 2008.

The Exhibit 5 Tab 1 Schedule 3 page 1 should in fact state that carrying costs were calculated up to April 30th, 2008 and not April 1, 2008. Tables in the rate application filing were filed with calculations to April 30, 2008.

52. *Ref: Exhibit 5/ Tab 1/ Schedule 3/p1*

I. OPUCN states on Ex5/Tab/Sch3/Pg1 that OPUCN proposes to dispose of the balance over a two year period. Please explain in detail the reasons for proposing a 2 year recovery period.

The proposal to dispose of balances over two years was based on the assumption that rates RSVAs are rapidly changing and that LDCs should clear these balances within a relatively short period. The intention would be for consideration of another application for a rate rider that would capture RSVA balances much sooner for application to our customers. A one year period was not considered because it is felt that this would place too great a burden on the ratepayers. It is felt that a two year period meets the need for rapid recovery but does not overburden ratepayers.

II. *Please identify the customer bill impacts of a 3 year recovery? Please explain in detail why 2 year recovery period is preferred over a 3 year recovery period?*

Disposal Based on Three Year Period

Account Description		Dec31/06 Balance	Apr 30/08 Balance	Allocation Basis	Residential	GS < 50 KW	GS > 50 to 999	Intermediate	Large Users	Small Scattered Load	Sentinel Lighting	Street Lighting
Unrecovered Plant and Regulatory Study Costs	1505	-	-									
Other Regulatory Assets	1508	(21,501)	(21,501)	KWh	(9,184)	(2,653)	(6,619)	(1,486)	(1,334)	(41)	(1)	(184)
Deferred Payments in Lieu of Taxes	1562	782,107	812,655	Dx Rev	433,372	136,602	155,010	43,282	29,839	2,597	139	11,813
RSVA - Wholesale Market Service Charge	1580	(677,570)	(719,903)	KWh	(307,490)	(88,814)	(221,603)	(49,760)	(44,664)	(1,378)	(25)	(6,169)
RSVA - One-time Wholesale Market Service	1582	63,405	67,041	KWh	28,635	8,271	20,637	4,634	4,159	128	2	575
RSVA - Retail Transmission Network Charge	1584	2,998,076	3,175,027	KWh	1,356,138	391,700	977,347	219,460	196,983	6,078	112	27,209
RSVA - Retail Transmission Connection Charge	1586	(1,605,640)	(1,703,767)	KWh	(727,724)	(210,192)	(524,459)	(117,765)	(105,704)	(3,262)	(60)	(14,601)
RSVA - Power	1588	115,716	128,602	KWh	54,929	15,865	39,587	8,889	7,979	246	5	1,102
Deferred PILs Account	1592	144,447	144,447	KWh	61,697	17,820	44,464	9,984	8,962	277	5	1,238
Other Deferred Credits	1590	59,208	59,208	KWh	25,289	7,304	18,226	4,092	3,673	113	2	507
Sub-total to Dispose at May1/08 or Dec31/06?	**Apr30/08**	**1,858,248**	**1,941,809**		**915,664**	**275,904**	**502,590**	**121,330**	**99,894**	**4,759**	**179**	**21,490**
Clear residual 1590 balance as of April 30/08?	YES	YES	Apr30/08		227,878	49,304	139,777	4,829	15,505	1,892	9	1,725
		NO	Dec31/06									
Total to Dispose at May1/08					1,143,542	325,208	642,367	126,159	115,399	6,651	188	23,215
Disposal period?	3 YEARS	2 YEARS			381,181	108,403	214,122	42,053	38,466	2,217	63	7,738
		3 YEARS										
Projected 2008 Rate Riders					0.0008	0.0008	0.2395	0.2455	0.2744	0.0000	0.0015	0.2952
Rate Determinant					kWh	kWh	kW	kW	kW	kW	kWh	kW

Bill Impact Using Disposal Period of Three Years
Oshawa PUC Networks Inc.
Bill Impacts (Rate Application 2008)
RPP Pricing (Summer)

Residential (R1)

1,000 kWh Consumption | TLF 1.04660 | 0.053 Under | 0.062 Over | 600 kWH RPP Limit

	Metric	2007 BILL Volume	Rate	Charge□$	2008 BILL Volume	Rate	Charge□$	IMPACT Change□$	Change□%	% of Total Bill
Monthly Service Charge				7.36			8.40	1.04	14.2%	1.0%
Distribution	kWh	1,000	0.01080	10.80	1,000	0.01233	12.33	1.53	14.2%	1.5%
Sub-Total				18.16			20.73	2.57	14.2%	2.4%
Regulatory Asset Recovery	kWh	1,000	0.00120	1.20	1,000	0.00080	0.80	(0.40)	-33.3%	-0.4%
Retail Transmission - Network	kWh	1,047	0.00590	6.17	1,047	0.00590	6.17	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation Connection	kWh	1,047	0.00450	4.71	1,047	0.00450	4.71	0.00	0.0%	0.0%
Wholesale Market Service	kWh	1,047	0.00520	5.44	1,047	0.00520	5.44	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	1,047	0.00100	1.05	1,047	0.00100	1.05	0.00	0.0%	0.0%

Debt Retirement Charge	kWh	1,000	0.00700	7.00	1,000	0.00700	7.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	600	0.05300	31.80	600	0.05300	31.80	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	447	0.06200	27.69	447	0.06200	27.69	0.00	0.0%	0.0%
Total Bill				103.22			105.40	2.17	2.1%	2.1%

GS <50 (C1)

3,400 kWh Consumption TLF 1.04660

		2007 BILL			2008 BILL			IMPACT		
	Metric	Volume	Rate	Charge □$	Volume	Rate	Charge □$	Change □$	Change □%	% of Total Bill
Monthly Service Charge				8.83			10.08	1.25	14.2%	0.3%
Distribution	kWh	3,400	0.01810	61.54	3,400	0.02066	70.26	8.72	14.2%	2.3%
Sub-Total				70.37			80.34	9.97	14.2%	2.6%
Regulatory Asset Recovery	kWh	3,400	0.00090	3.06	3,400	0.00080	2.72	(0.34)	-11.1%	-0.1%
Retail Transmission - Network	kWh	3,558	0.00530	18.86	3,558	0.00530	18.86	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation Connection	kWh	3,558	0.00410	14.59	3,558	0.00410	14.59	0.00	0.0%	0.0%
Wholesale Market Service	kWh	3,558	0.00520	18.50	3,558	0.00520	18.50	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	3,558	0.00100	3.56	3,558	0.00100	3.56	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	3,400	0.00700	23.80	3,400	0.00700	23.80	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	600	0.05300	31.80	600	0.05300	31.80	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	2,958	0.06200	183.42	2,958	0.06200	183.42	0.00	0.0%	0.0%
Total Bill				367.96			377.60	9.63	2.6%	2.6%

GS>50 kW < 1000 kW (I1) (I4)

135 kW Consumption TLF 1.04660
55,000 kWh Consumption

		2007 BILL			2008 BILL			IMPACT		
	Metric	Volume	Rate	Charge □$	Volume	Rate	Charge □$	Change □$	Change □%	% of Total Bill
Monthly Service Charge				40.59			46.34	5.75	14.2%	0.1%
Distribution	kW	135	3.53610	477.37	135	4.03718	545.02	67.65	14.2%	1.2%
Sub-Total				517.96			591.36	73.40	14.2%	1.3%
Regulatory Asset Recovery	kW	135	0.40430	54.58	135	0.23950	32.33	(22.25)	-40.8%	-0.4%
Retail Transmission - Network	kW	135	2.44410	329.95	135	2.44410	329.95	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation Connection	kW	135	1.85650	250.63	135	1.85650	250.63	0.00	0.0%	0.0%
Wholesale Market Service	kWh	57,563	0.00520	299.33	57,563	0.00520	299.33	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	57,563	0.00100	57.56	57,563	0.00100	57.56	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	55,000	0.00700	385.00	55,000	0.00700	385.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	0	0.05300	0.00	0	0.05300	0.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	57,563	0.06200	3,568.91	57,563	0.06200	3,568.91	0.00	0.0%	0.0%
Total Bill				5,463.92			5,515.07	51.15	0.9%	0.9%

GS>1000 kW < 5000 kW (I2 -Intermediate)

1,625 kW Consumption TLF 1.04660

842,000 kWh Consumption

		2007 BILL			2008 BILL			IMPACT		
	Metric	Volume	Rate	Charge □$	Volume	Rate	Charge □$	Change □$	Change □%	% of Total Bill
Monthly Service Charge				1,952.27			2,228.91	276.64	14.2%	0.3%
Distribution	kW	1,625	4.33620	7,046.33	1,625	4.95065	8,044.81	998.48	14.2%	1.2%
Sub-Total				8,998.60			10,273.72	1,275.13	14.2%	1.5%
Regulatory Asset Recovery	kW	1,625	0.08200	133.25	1,625	0.24550	398.94	265.69	199.4%	0.3%
Retail Transmission - Network	kW	1,625	2.44410	3,971.66	1,625	2.44410	3,971.66	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation Connection	kW	1,625	1.85650	3,016.81	1,625	1.85650	3,016.81	0.00	0.0%	0.0%
Wholesale Market Service	kWh	881,237	0.00520	4,582.43	881,237	0.00520	4,582.43	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	881,237	0.00100	881.24	881,237	0.00100	881.24	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	842,000	0.00700	5,894.00	842,000	0.00700	5,894.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	0	0.05300	0.00	0	0.05300	0.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	881,237	0.06200	54,636.71	881,237	0.06200	54,636.71	0.00	0.0%	0.0%
Total Bill				82,114.70			83,655.51	1,540.81	1.9%	1.8%

Large Use >5MW (I3)

7,900 kW Consumption TLF 1.01460

3,600,000 kWh Consumption

		2007 BILL			2008 BILL			IMPACT		
	Metric	Volume	Rate	Charge □$	Volume	Rate	Charge □$	Change □$	Change □%	% of Total Bill
Monthly Service Charge				10,512.24			12,001.85	1,489.61	14.2%	0.5%
Distribution	kW	7,900	2.89020	22,832.58	7,900	3.29975	26,068.02	3,235.44	14.2%	1.0%
Sub-Total				33,344.82			38,069.88	4,725.06	14.2%	1.5%
Regulatory Asset Recovery	kW	135	0.28600	38.61	135	0.27440	37.04	(1.57)	-4.1%	0.0%
Retail Transmission - Network	kW	135	2.60410	351.55	135	2.60410	351.55	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation Connection	kW	135	2.02580	273.48	135	2.02580	273.48	0.00	0.0%	0.0%
Wholesale Market Service	kWh	3,652,560	0.00520	18,993.31	3,652,560	0.00520	18,993.31	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	3,652,560	0.00100	3,652.56	3,652,560	0.00100	3,652.56	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	3,600,000	0.00700	25,200.00	3,600,000	0.00700	25,200.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	0	0.05300	0.00	0	0.05300	0.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	3,652,560	0.06200	226,458.72	3,652,560	0.06200	226,458.72	0.00	0.0%	0.0%
Total Bill				308,313.06			313,036.55	4,723.49	1.5%	1.5%

Unmetered Scattered Load (USL)

770 kWh Consumption TLF 1.04660

		2007 BILL			2008 BILL			IMPACT		
	Metric	Volume	Rate	Charge □$	Volume	Rate	Charge □$	Change □$	Change □%	% of Total Bill
Monthly Service Charge				4.42			5.05	0.63	14.2%	0.7%
Distribution	kWh	770	0.01840	14.17	770	0.02101	16.18	2.01	14.2%	2.4%
Sub-Total				18.59			21.22	2.63	14.2%	3.1%
Regulatory Asset Recovery	kWh	770	0.00220	1.69	770	0.00000	0.00	(1.69)	-100.0%	-2.0%
Retail Transmission - Network	kWh	806	0.00530	4.27	806	0.00530	4.27	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation Connection	kWh	806	0.00410	3.30	806	0.00410	3.30	0.00	0.0%	0.0%
Wholesale Market Service	kWh	806	0.00520	4.19	806	0.00520	4.19	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	806	0.00100	0.81	806	0.00100	0.81	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	770	0.00700	5.39	806	0.00700	5.64	0.25	4.7%	0.3%
Cost of Power Commodity	kWh	600	0.05300	31.80	600	0.05300	31.80	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	206	0.06200	12.76	206	0.06200	12.76	0.00	0.0%	0.0%
Total Bill				82.81			84.00	1.19	1.4%	1.4%

Sentinel

0.14 kW Consumption TLF 1.04660
42 kWh Consumption

		2007 BILL			2008 BILL			IMPACT		
	Metric	Volume	Rate	Charge □$	Volume	Rate	Charge □$	Change □$	Change □%	% of Total Bill
Monthly Service Charge				2.47			2.82	0.35	14.2%	4.7%
Distribution	kW	0.14	5.59410	0.78	0.14	6.38680	0.89	0.11	14.2%	1.5%
Sub-Total				3.25			3.71	0.46	14.2%	6.2%
Regulatory Asset Recovery	kW	0.14	0.17480	0.02	0.14	0.00150	0.00	(0.02)	-99.1%	-0.3%
Retail Transmission - Network	kW	0.14	1.31520	0.18	0.14	1.31520	0.18	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation Connection	kW	0.14	1.71580	0.24	0.14	1.71580	0.24	0.00	0.0%	0.0%
Wholesale Market Service	kWh	44	0.00520	0.23	44	0.00520	0.23	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	44	0.00100	0.04	44	0.00100	0.04	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	42	0.00700	0.29	42	0.00700	0.29	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	0	0.05300	0.00	0	0.05300	0.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	44	0.06200	2.73	44	0.06200	2.73	0.00	0.0%	0.0%
Total Bill				6.99			7.43	0.44	6.2%	5.9%

Street Light

0.45 kW Consumption TLF 1.04660
70 kWh Consumption

		2007 BILL			2008 BILL			IMPACT		
	Metric	Volume	Rate	Charge □$	Volume	Rate	Charge □$	Change □$	Change □%	% of Total Bill
Monthly Service Charge				0.47			0.54	0.07	14.2%	0.6%
Distribution	kW	0.45	7.42280	3.37	0.45	8.47463	3.85	0.48	14.2%	4.2%
Sub-Total				3.84			4.38	0.54	14.2%	4.8%
Regulatory Asset Recovery	kW	0.45	0.17480	0.08	0.45	0.29520	0.13	0.05	68.9%	0.5%
Retail Transmission - Network	kW	0.45	1.29290	0.59	0.45	1.29290	0.59	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation Connection	kW	0.45	1.68670	0.77	0.45	1.68670	0.77	0.00	0.0%	0.0%
Wholesale Market Service	kWh	74	0.00520	0.38	74	0.00520	0.38	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	74	0.00100	0.07	74	0.00100	0.07	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	70	0.00700	0.49	70	0.00700	0.49	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	0	0.05300	0.00	0	0.05300	0.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	74	0.06200	4.56	74	0.06200	4.56	0.00	0.0%	0.0%
Total Bill				10.78			11.38	0.60	5.6%	5.3%

Proposed Rate Riders Based on:

3 Year Basis

0.0008	0.0008	0.2395	0.2455	0.2744	0.0000	0.0015	0.2952
kWh	kWh	kW	kW	kW	kW	kWh	kW

2 Year Basis

0.0011	0.0011	0.3593	0.3682	0.4116	0.0000	0.0023	0.4428
kWh	kWh	kW	kW	kW	kW	kWh	kW

Please see Question I) in regards to proposal for two year disposal period.

Please see Question I) in regards to the proposal for a two year disposal period. Although OPUCN would like yearly rate rider application to allow customer return/ recovery of RSVAs, and in particular as the RSVA appear to have significant trend change, it is our belief that this would be taxing to OEB to handle additional work load of processing annual applications.

III. Please identify the customer bill impacts of a 1 year recovery? Please explain in detail why a 2 year recovery period is preferred over a 1 year recovery period?

Proposed Rate Riders Based on:

1 Year Basis

0.0015	**0.0015**	**0.4791**	**0.4910**	**0.5488**	**0.0001**	**0.0030**	**0.5904**
kWh	kWh	kW	kW	kW	kW	kWh	kW

2 Year Basis

0.0011	**0.0011**	**0.3593**	**0.3682**	**0.4116**	**0.0000**	**0.0023**	**0.4428**
kWh	kWh	kW	kW	kW	kW	kWh	kW

53. Ref: Exhibit 5/Tab 1/Schedule 2, Exhibit 5/Tab 1/Schedule 3

a. *Please explain why the total and individual balances by account in Ex5/Tab1/Sch2 do not match the total and individual balances by account in Ex5/Tab1/Sch3, as at April 30, 2008. For example, the total on Ex5/Tab1/Sch2 is $2,383,321 and on Ex5/Tab1/Sch3 the total is $1,941,809 as at April 30, 2008. There are other discrepancies for different individual accounts. Please restate these schedules so that they match.*

Account Description	Account Number	Dec31/06 Balance	Apr 30/08 Balance	Allocation Basis	Residential	GS < 50 KW	GS > 50 to 999	Intermediate	Large Users	Small Scattered Load	Sentinel Lighting	Street Lighting	Totals
Unrecovered Plant and Regulatory Study Costs	1505	-	-										-
Other Regulatory Assets	1508	(21,501)	(21,501)	KWh	(9,184)	(2,653)	(6,619)	(1,486)	(1,334)	(41)	(1)	(184)	(21,501)
Deferred Payments in Lieu of Taxes	1562	782,107	812,655	Dx Revenue	433,372	136,602	155,010	43,282	29,839	2,597	139	11,813	812,655
RSVA - Wholesale Market Service Charge	1580	(677,570)	(719,903)	KWh	(307,490)	(88,814)	(221,603)	(49,760)	(44,664)	(1,378)	(25)	(6,169)	(719,903)
RSVA - One-time Wholesale Market Service	1582	63,405	67,041	KWh	28,635	8,271	20,637	4,634	4,159	128	2	575	67,041
RSVA - Retail Transmission Network Charge	1584	2,998,076	3,175,027	KWh	1,356,138	391,700	977,347	219,460	196,983	6,078	112	27,209	3,175,027
RSVA - Retail Transmission Connection Charge	1586	(1,605,640)	(1,703,767)	KWh	(727,724)	(210,192)	(524,459)	(117,765)	(105,704)	(3,262)	(60)	(14,601)	(1,703,767)
RSVA - Power	1588	115,716	128,602	KWh	54,929	15,865	39,587	8,889	7,979	246	5	1,102	128,602
Deferred PILs Account	1592	144,447	144,447	KWh	61,697	17,820	44,464	9,984	8,962	277	5	1,238	144,447
Other Deferred Credits	1590	59,208	59,208	KWh	25,289	7,304	18,226	4,092	3,673	113	2	507	59,208
Sub-total to Dispose at May1/08 or Dec31/06?	Apr30/08	**1,858,248**	**1,941,809**		**915,664**	**275,904**	**502,590**	**121,330**	**99,894**	**4,759**	**179**	**21,490**	**1,941,809**
Clear residual 1590 balance as of April 30/08?	YES	YES NO	Apr30/08 Dec31/06		227,878	49,304	139,777	4,829	15,505	1,892	9	1,725	**440,920**
Total to Dispose at May1/08					**1,143,542**	**325,208**	**642,367**	**126,159**	**115,399**	**6,651**	**188**	**23,215**	**2,382,728**
Disposal period?	2 YEARS	2 YEARS 3 YEARS			571,771	162,604	321,183	63,079	57,700	3,325	94	11,607	**1,191,364**
Projected 2008 Rate Riders Rate Determinant					**0.0011** kWh	**0.0011** kWh	**0.3593** kW	**0.3682** kW	**0.4116** kW	**0.0000** kW	**0.0023** kWh	**0.4428** kW	

5 – Deferral and Variance Accounts

CALCULATION OF BALANCES BY ACCOUNT

	OEB Account	Opening Balance Dec 31/ 06		Carrying Charges Period Dec 31/ 06	Carrying Charges LTD Apr 30/08		Net Accruals Period Dec 31/ 06	Net Accruals LTD Apr 30/08		Adjustments Period Dec 31/ 06	Adjustments LTD Apr 30/08	Ending Balance
Commodity accounts are classified as follows:												
1588 Retail Settlement Variance Account - Power		0										
1588 RSVA Power - Sub-account Global Adjustments	1,588	210,554		(94,838)	12,885		210,554	(81,953)				128,601

Non-commodity accounts are classified in two categories as follows:												
Wholesale and Retail Market Variance Accounts												
1518 Retail Cost Variance Account - Retail		0										
1548 Retail Cost Variance Account - STR		0										
1580 Retail Settlement Variance Account - Wholesale Market Service Charges	1,580	(691,717)		14,147	(42,333)		(691,717)	(28,186)				(719,903)
1582 Retail Settlement Variance Account - One-time Wholesale Market Service	1,582	59,408		3,997	3,636		59,408	7,633				67,041
1584 Retail Settlement Variance Account - Retail Transmission Network Charges	1,584	2,891,363		106,713	176,952		2,891,363	283,665				3,175,028
1,586		(1,603,387)		(2,253)	(98,128)		(1,603,387)	(100,381)				(1,703,768)
Utility Deferral Accounts												
1508 Other Regulatory Assets	1,508	(21,501)		0	0		(21,501)	0				(21,501)
1508 Other Regulatory Assets - Sub-account OEB Cost Assessments												
1508 Other Regulatory Assets - Sub-account Pension Contributions												
1525 Miscellaneous Deferred Debits												
1562 Deferred Payments in Lieu of Taxes	1,562	499,155		282,952	30,548		499,155	313,500				812,655
1563 PILs contra account	1,563	(499,155)					(499,155)	0		499,155		0
1565 Conservation and Demand Management Expenditures and Recoveries												
1555 Smart Meter Capital Variance Account	1,555	(100,890)		0	0		(100,890)	0		100,890		0
1572 Extraordinary Event Losses												
1574 Deferred Rate Impact Amounts												
2425 Other Deferred Credits												
1590 Recovery of Regulatory Asset Balances	1,590	1,893,838		203,655	71,097		1,893,838	215,544			(1,524,015)	585,367
1590 Recovery of Regulatory Asset Balances	1,590							59,208				59,208
Closed Accounts not classified are as follows:												
1570 Qualifying Transition Costs (closed December 31, 2002)												
1571 Pre-Market Opening Energy Variances (closed April 30, 2002)												

Totals		2,637,668		514,373	154,587		2,637,668	668,960		600,045	(1,523,352)	2,382,728

b. *In Ex5/Tab1/Sch3 account 1592 is included with a balance of $59,208. However, there is no such account previously listed in Ex5/Tab1/Sch2 and Ex5/Tab1/Sch1. What does this represent? Please update Ex5/Tab1/Sch1, 2, 3 as necessary.*

Please see above segmented item for 1590 Recovery of Regulatory Asset Balance for interest on RARA account May1 to December 31, 2006 in the amount of $59,208. Interest was not included in RARA Account as EDR 2006 did include in RARA account and yet calculated and owing for 2006.

54. *Exhibit 5/Tab 1/Schedule 1,2 and 3*

a. *Please indicate what PILs method OPUCN followed in calculating the balances in account 1562 (and 1563 if applicable) by reference to the Board's FAQ's dated April 2003.*

Alternative Three was selected where recordings for Deferred PILs are applied to the Balance Sheet, with a Contra Accounting reflecting the offset.

b. *Did OPUCN change PILs accounting methods at anytime from October 1, 2001 to April 30, 2006? If yes, please explain the impacts of the change.*

OPUCN did not change PILs accounting methods at any time from October 1, 2001 to April 30, 2006.

c. *Please provide a continuity schedule that shows how the transaction amounts in the PILs account 1562 (and 1563 if applicable) were recorded in the general ledger as at each year end since the period beginning October 1, 2001 until December 30th, 2006. Please separate the PILs proxy or allowance in rates, amounts billed or collected, adjustments, and interest. Please explain any adjustments.*

Adjustments are as identified in 2008 Filing (Appendix A) and each year adjustments are identified in the following RRR SIMPIL Filing Tax Cal Sheet for Years 2003-2006.

SIMPIL RRR FILING

Analysis of Account 1562: Deferred Payments in lieu of Taxes
Utility Name: Oshawa PUC Networks Inc.

Version 2005.1
RRR # 2.1.8

Reporting Period 2001 to 2006

Sign Convention: + for increase; - for decrease

Year start:		10/1/2001	1/1/2002	1/1/2003	1/1/2004	1/1/2005	1/1/2006	
Year end:		12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	4/30/2006	Total
Opening balance:	=	0	596,048	937,784	939,941	960,733	1,022,037	0
Board-approved PILs tax proxy from Decisions (1)	+/-	592,439	2,123,753	2,716,192	2,271,863	2,276,287	775,710	10,756,244
True-up Variance Adjustment Q4, 2001 (2)	+/-	0	0	0	0	0	0	0
True-up Variance Adjustment (3)	+/-	0	0	179,991	187,426	72,152	-307,252	132,317
Deferral Account Variance Adjustment Q4, 2001 (4)		0	0	0	0	0		0
Deferral Account Variance Adjustment (5)	+/-		0		-94,633	-210,394	3,400	-301,627
Adjustments to reported prior years' variances (6)	+/-	0	0	0	0	0	0	0
Carrying charges (7)	+/-	3,609	71,153	58,928	54,514	53,678	41,070	282,952
PILs collected from customers - Proxy (8)	-	0	-1,853,170	-2,952,954	-2,398,378	-2,130,418	-752,860	-10,087,780
Ending balance: # 1562		596,048	937,784	939,941	960,733	1,022,037	782,106	782,106

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.								
For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.								

SECTION 93 PILs TAX GROSS-UP "SIMPIL"	**ITEM**	**Initial**	M of F
DEFERRAL/VARIANCE ACCOUNTS		**Estimate**	Filing
TAX CALCULATIONS (TAXCALC)			Variance
("Wires-only" business - see Tab TAXREC)			K-C
		$	$
Utility Name: Oshawa PUC Ne tworks Inc			
Reporting Period 2003			
Days in reporting period:	365	days	
Total days in the calendar year:	365	days	
I) CORPORATE INCOME TAXES			
Regulatory Net Income	1	2,982,376	54,771
BOOK TO TAX ADJUSTMENTS			
Additions:			
Depreciation & Amortization	2	3,299,926	-220,846
Employee Benefit Plans - Accrued, Not Paid	3	0	0
Tax reserves deducted in prior year	4	0	0
Reserves from financial statements-end of year	4	0	7,344,811
Regulatory Adjustments	5	0	0
Other Additions (See Tab entitled "TAXREC")			
"Material" Items from "TAXREC" worksheet	6	0	0
Other Additions (not "Material") "TAXREC"	6	0	0

"Material Items from "TAXREC 2" worksheet	6	0	7,005
Other Additions (not "Material") "TAXREC 2"	6	0	17,974
Deductions:			
Capital Cost Allowance and CEC	7	1,968,153	914,303
Employee Benefit Plans - Paid Amounts	8	0	0
Items Capitalized for Regulatory Purposes	9	0	0
Regulatory Adjustments	10	0	0
Interest Expense Deemed/ Incurred	11	0	0
Tax reserves claimed in current year	4	0	0
Reserves from F/S beginning of year	4	0	7,024,790
Contributions to deferred income plans	3	0	0
Contributions to pension plans	3	0	0
Interest capitalized for accounting but deducted for tax	11	0	0
Other Deductions (See Tab entitled "TAXREC")			
"Material" Items from "TAXREC" worksheet	12	0	0
Other Deductions (not "Material") "TAXREC"	12	0	0
Material Items from "TAXREC 2" worksheet	12	0	0
Other Deductions (not "Material") "TAXREC 2"	12	1,262,243	-1,262,243
REGULATORY TAXABLE INCOME/ (LOSSES)		3,051,906	13,880,565
CORPORATE INCOME TAX RATE			
Deemed %	13	38.62%	0.0000%
REGULATORY INCOME TAX		1,178,646	203,475
Taxable Income x Rate			
Miscellaneous Tax Credits	14	0	0
Total Regulatory Income Tax		1,178,646	203,475

To determine the exemptions for capital tax and large corporations tax:			
Please identify the percentage used in the allocation of the exemption in cell C61. Please explain the basis of the allocation if the percentage is other than 100%.		100%	
II) CAPITAL TAXES	-		
Ontario			
Base	15	52,062,025	25,273,632
Less: Exemption	16	5,000,000	-301
Deemed Taxable Capital		47,062,025	25,273,331
Rate (.3%)	17	0.3000%	0.0000%
Net Amount (Taxable Capital x Rate)		141,186	75,822
Federal (LCT)			
Base	18	52,062,025	7,404,165
Less: Exemption	19	10,000,000	0
Deemed Taxable Capital		42,062,025	7,404,165
Rate (.225%)	20	0.0000%	0.0000%
Gross Amount (Taxable Capital x Rate)		0	0
Less: Federal Surtax	21	34,181	0
Net LCT		-34,181	0

III) INCLUSION IN RATES	-		
-	-		
Income Tax Rate used for gross- up (exclude surtax)		37.50%	
Income Tax (grossed-up)	22	1,885,834	
LCT (grossed-up)	23	-54,690	
Ontario Capital Tax	24	141,186	
Total S. 93 PILs Rate Adjustment	25	1,972,330	
IV) FUTURE TRUE-UPS (post June 2002)			
IV a) Calculation of the True-up Variance			**DR/(CR)**
Employee Benefit Plans - Accrued, Not Paid	3		0
Tax reserves deducted in prior year	4		0
Reserves from financial statements-end of year	4		7,344,811
Regulatory Adjustments	5		0
Other additions "Material" Items "TAXREC"	6		0
Other additions "Material" Items "TAXREC 2"	6		7,005
Employee Benefit Plans - Paid Amounts	8		0
Items Capitalized for Regulatory Purposes	9		0
Regulatory Adjustments	10		0
Interest Adjustment for tax purposes **(See Below - cell I206)**	11		0
Tax reserves claimed in current year	4		0
Reserves from F/S beginning of year	4		7,024,790
Contributions to deferred income plans	3		0
Contributions to pension plans	3		0

Other deductions "Material" Items "TAXREC"	12		0
Other deductions "Material" Item "TAXREC 2"	12		0
Total TRUE-UPS before tax effect	26		327,026
Income Tax Rate (excluding surtax)			35.50%
Income Tax Effect on True-up adjustments			116,094
Less: Miscellaneous Tax Credits	14		0
Total Income Tax on True-ups			116,094
Income Tax Rate used for gross-up (exclude surtax)			35.50%
TRUE-UP VARIANCE			179,991
IV b) Calculation of the Deferral Account Variance			
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			3,051,906
REVISED CORPORATE INCOME TAX RATE			38.62%
REVISED REGULATORY INCOME TAX			1,178,646
Less: Revised Miscellaneous Tax Credits			0

Total Revised Regulatory Income Tax			1,178,646
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			1,178,646
Regulatory Income Tax Variance			0
Ontario Capital Tax			
Base			52,062,025
Less: Exemption			5,000,000
Revised deemed taxable capital			47,062,025
Rate (as a result of legislative changes)			0.3000%
Revised Ontario Capital Tax			141,186
Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			141,186
Regulatory Ontario Capital Tax Variance			0
Federal LCT			
Base			52,062,025
Less: Exemption			10,000,000
Revised Federal LCT			42,062,025
Rate (as a result of legislative changes)			0.0000%
Gross Amount			0
Less: Federal surtax			34,181
Revised Net LCT			(34,181)

Less: Federal LCT reported in the initial estimate column (Cell C84)			(34,181)
Regulatory Federal LCT Variance			0
Income Tax Rate used for gross-up (exclude surtax)			37.50%
Income Tax (grossed-up)			0
LCT (grossed-up)			0
Ontario Capital Tax			0
DEFERRAL ACCOUNT VARIANCE			0
TRUE-UP VARIANCE (from cell I132)			179,991
Deferral Account Entry (Positive Entry = Debit)			179,991
(Deferral Account Variance + True-up Variance)			
To be included as deferral account in rate application)			

SECTION 93 PILs TAX GROSS-UP "SIMPIL"	**ITEM**	**Initial**	M of F	**M of F**
DEFERRAL/VARIANCE ACCOUNTS		**Estimate**	Filing	**Filing**
TAX CALCULATIONS (TAXCALC)			Variance	
("Wires-only" business - see Tab TAXREC)			K-C	(June)
				Version 1.0
		$	$	$
Utility Name: Oshawa PUC Networks Inc				
Reporting period: 2004				**Column**
Days in reporting period:	365	days		**Brought**
Total days in the calendar year:	365	days		**From**
				TAXREC
		Not necessary		

		for this filing		
I) CORPORATE INCOME TAXES				
Regulatory Net Income	1	2,982,376	3,723,624	6,706,000
BOOK TO TAX ADJUSTMENTS				
Additions:				
Depreciation & Amortization	2	3,299,926	-378,224	2,921,702
Employee Benefit Plans - Accrued, Not Paid	3	0	0	0
Tax reserves deducted in prior year	4	0	-7,344,811	-7,344,811
Reserves from financial statements-end of year	4	0	0	0
Regulatory Adjustments	5	0	0	0
Other Additions (See Tab entitled "TAXREC")				
"Material" Items from "TAXREC" worksheet	6	0	0	0
Other Additions (not "Material") "TAXREC"	6	0	0	0
"Material Items from "TAXREC 2" worksheet	6	0	0	0
Other Additions (not "Material") "TAXREC 2"	6	0	8,821	8,821
Deductions:				
Capital Cost Allowance and CEC	7	1,968,153	735,415	2,703,568
Employee Benefit Plans - Paid Amounts	8	0	0	0
Items Capitalized for Regulatory Purposes	9	0	0	0
Regulatory Adjustments	10	0	0	0
Interest Expense Deemed/ Incurred	11	1,262,243	409,757	1,672,000
Tax reserves claimed in current year	4	0	-7,685,345	-7,685,345
Reserves from F/S beginning of year	4	0	0	0
Contributions to deferred income plans	3	0	0	0
Contributions to pension plans	3	0	0	0
Interest capitalized for accounting but deducted for tax	11	0	0	0
Other Deductions (See Tab entitled "TAXREC")				

"Material" Items from "TAXREC" worksheet	12	0	0	0
Other Deductions (not "Material") "TAXREC"	12	0	0	0
Material Items from "TAXREC 2" worksheet	12	0	0	0
Other Deductions (not "Material") "TAXREC 2"	12	0	0	0
REGULATORY TAXABLE INCOME/ (LOSSES)		3,051,906	(10,530,763)	5,601,489
CORPORATE INCOME TAX RATE				
Deemed %	13	38.62%	-2.0000%	36.62%
REGULATORY INCOME TAX		1,178,646	872,619	2,051,265
Taxable Income x Rate				
Miscellaneous Tax Credits	14	0	0	0
Total Regulatory Income Tax		1,178,646	872,619	2,051,265
To determine the exemptions for capital tax and large corporations tax:				
Please identify the percentage used in the allocation of the exemption in cell C61. Please explain the basis of the allocation if the percentage is other than 100%.		100%		
II) CAPITAL TAXES				
Ontario				
Base	15	52,062,025	27,782,332	79,844,357
Less: Exemption	16	5,000,000	-19,312	4,980,688
Deemed Taxable Capital		47,062,025	27,763,020	74,863,669

Rate (.3%)	17	0.3000%	0.0000%	0.3000%
Net Amount (Taxable Capital x Rate)		141,186	83,405	224,591
Federal (LCT)				
Base	18	52,062,025	9,626,777	61,688,802
Less: Exemption	19	10,000,000	-294,003	9,705,997
Deemed Taxable Capital		42,062,025	9,332,774	51,982,805
Rate (.225%)	20	0.2250%	0.0000%	0.2250%
Gross Amount (Taxable Capital x Rate)		94,640	22,322	116,961
Less: Federal Surtax	21	34,181	23,684	57,865
Net LCT		60,458	46,005	59,096
III) INCLUSION IN RATES	-			
-	-			
Income Tax Rate used for gross- up (exclude surtax)		37.50%		
Income Tax (grossed-up)	22	1,885,834		
LCT (grossed-up)	23	96,733		
Ontario Capital Tax	24	141,186		
Total S. 93 PILs Rate Adjustment	25	2,123,753		
IV) FUTURE TRUE-UPS (post June 2002)				

IV a) Calculation of the True-up Variance			**DR/(CR)**	
Employee Benefit Plans - Accrued, Not Paid	3		0	
Tax reserves deducted in prior year	4		-7,344,811	
Reserves from financial statements-end of year	4		0	
Regulatory Adjustments	5		0	
Other additions "Material" Items "TAXREC"	6		0	
Other additions "Material" Items "TAXREC 2"	6		0	
Employee Benefit Plans - Paid Amounts	8		0	
Items Capitalized for Regulatory Purposes	9		0	
Regulatory Adjustments	10		0	
Interest Adjustment for tax purposes **(See Below - cell I206)**	11		0	
Tax reserves claimed in current year	4		-7,685,345	
Reserves from F/S beginning of year	4		0	
Contributions to deferred income plans	3		0	
Contributions to pension plans	3		0	
Other deductions "Material" Items "TAXREC"	12		0	
Other deductions "Material" Item "TAXREC 2"	12		0	
Total TRUE-UPS before tax effect	26		340,534	
Income Tax Rate (excluding surtax)			35.50%	
Income Tax Effect on True-up adjustments			120,890	
Less: Miscellaneous Tax Credits	14		0	
Total Income Tax on True-ups			120,890	

Income Tax Rate used for gross-up (exclude surtax)			35.50%	
TRUE-UP VARIANCE			187,426	
IV b) Calculation of the Deferral Account Variance				
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			3,051,906	
REVISED CORPORATE INCOME TAX RATE			36.62%	
REVISED REGULATORY INCOME TAX			1,117,608	
Less: Revised Miscellaneous Tax Credits			0	
Total Revised Regulatory Income Tax			1,117,608	
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			1,178,646	
Regulatory Income Tax Variance			(61,038)	
Ontario Capital Tax				
Base			52,062,025	
Less: Exemption			5,000,000	
Revised deemed taxable capital			47,062,025	

Rate (as a result of legislative changes)			0.3000%	
Revised Ontario Capital Tax			141,186	
Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			141,186	
Regulatory Ontario Capital Tax Variance			0	
Federal LCT				
Base			52,062,025	
Less: Exemption			10,000,000	
Revised Federal LCT			42,062,025	
Rate (as a result of legislative changes)			0.2250%	
Gross Amount			94,640	
Less: Federal surtax			34,181	
Revised Net LCT			60,458	
Less: Federal LCT reported in the initial estimate column (Cell C84)			60,458	
Regulatory Federal LCT Variance			0	
Income Tax Rate used for gross-up (exclude surtax)			35.50%	
Income Tax (grossed-up)			(94,633)	
LCT (grossed-up)			0	
Ontario Capital Tax			0	
DEFERRAL ACCOUNT VARIANCE			(94,633)	
TRUE-UP VARIANCE (from cell I132)			187,426	

Deferral Account Entry (Positive Entry = Debit)			92,793	
(Deferral Account Variance + True-up Variance)				
To be included as deferral account in rate application)				

SIMPIL RRR FILING	**ITEM**	**Initial**	M of F	M of F	**M of F**
DEFERRAL/VARIANCE ACCOUNTS		**Estimate**	Filing	Filing	**Filing**
TAX CALCULATIONS (TAXCALC)			Variance	Variance	
("Wires-only" business - see Tab TAXREC)			K-C	Explanation	(June)
RRR # 2.1.8					**Version 2005.1**
		$	$		$
Utility Name: Oshawa PUC Networks Inc.					
Reporting period: January 1 to December 31, 2005					**Column**
Days in reporting period:	365	days			**Brought**
Total days in the calendar year:	365	days			**From**
					TAXREC
I) CORPORATE INCOME TAXES					

Regulatory Net Income REGINFO E54	1	4,734,691	2,232,309		6,967,000
BOOK TO TAX ADJUSTMENTS					
Additions:					
Depreciation & Amortization	2	3,299,926	245,074		3,545,000
Employee Benefit Plans - Accrued, Not Paid	3		0		0
Tax reserves - beginning of year	4		0		0
Reserves from financial statements - end of year	4		8,387,075		8,387,075
Regulatory Adjustments - increase in income	5		0		0
Regulatory Assets - to balance to tax return			0		0
Other Additions (See Tab entitled "TAXREC")					
"Material" Items from "TAXREC" worksheet	6		240,000		240,000
Other Additions (not "Material") "TAXREC"	6		35,403		35,403
"Material Items from "TAXREC 2" worksheet	6		0		0
Other Additions (not "Material") "TAXREC 2"	6		0		0
Deductions: Input positive numbers					
Capital Cost Allowance and CEC	7	1,968,153	1,022,525		2,990,678

Employee Benefit Plans - Paid Amounts	8		0		0
Items Capitalized for Regulatory Purposes	9		1,105,267		1,105,267
Regulatory Adjustments - deduction for tax purposes in Item 5	10		0		0
Regulatory Assets - to balance to tax return			0		0
Interest Expense Deemed/ Incurred	11	1,887,248	-353,248		1,534,000
Tax reserves - end of year	4		0		0
Reserves from financial statements - beginning of year	4		7,819,342		7,819,342
Contributions to deferred income plans	3		0		0
Contributions to pension plans	3		0		0
Interest capitalized for accounting but deducted for tax	11		143,968		143,968
Other Deductions (See Tab entitled "TAXREC")					
CDM 2005 incremental OM&A expenses per 2005 PILs model	12	300,000	-300,000		0
"Material" Items from "TAXREC" worksheet	12		255,383		255,383
Other Deductions (not "Material") "TAXREC"	12		43,512		43,512
Material Items from "TAXREC 2" worksheet	12		0		0
Other Deductions (not "Material") "TAXREC 2"	12		0		0
TAXABLE INCOME/ (LOSS)		3,879,216	1,403,112	Before loss C/F	5,282,328

BLENDED INCOME TAX RATE					
Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%	0.0000%	Formula	36.12%
REGULATORY INCOME TAX		1,401,173	506,646	Actual	1,907,819
Miscellaneous Tax Credits	14		0	Actual	0
Total Regulatory Income Tax		1,401,173	506,646	Actual	1,907,819
II) CAPITAL TAXES					
Ontario					
Base	15	52,062,025	39,432,312		91,494,337
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000	-1,133,333		6,366,667
Taxable Capital		44,562,025	38,298,979		85,127,671
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.3000%		0.3000%
Ontario Capital Tax		133,686	121,697		255,383
Federal Large Corporations Tax					
Base	18	52,062,025	21,388,421		73,450,446

Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000	-1,100,000		48,900,000
Taxable Capital		2,062,025	20,288,421		24,550,446
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%	0.0000%		0.1750%
Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		3,609	39,355		42,963
Less: Federal Surtax 1.12% x Taxable Income	21	43,447	-484		42,963
Net LCT		0	0		0
III) INCLUSION IN RATES	-				
-	-				
Income Tax Rate used for gross- up		36.12%			
Income Tax (proxy tax is grossed-up)	22	2,193,445		**Actual 2005**	1,907,819
LCT (proxy tax is grossed-up)	23	0		**Actual 2005**	0
Ontario Capital Tax (no gross-up since it is deductible)	24	133,686		**Actual 2005**	255,383
Total PILs for Rate Adjustment -- MUST AGREE WITH 2005	25	2,327,131		**Actual 2005**	2,163,202
RAM DECISION					

IV) FUTURE TRUE-UPS					
IV a) Calculation of the True-up Variance			**DR/(CR)**		
In Additions:					
Employee Benefit Plans - Accrued, Not Paid	3		0		
Tax reserves deducted in prior year	4		0		
Reserves from financial statements-end of year	4		8,387,075	Changes in Reserves (eg Future Benefits Provision)	
Regulatory Adjustments	5		0		
Other additions "Material" Items TAXREC	6		240,000	Provision Amt	
Other additions "Material" Items TAXREC 2	6		0		
In Deductions - positive numbers					
Employee Benefit Plans - Paid Amounts	8		0		
Items Capitalized for Regulatory Purposes	9		1,105,267	Indirect Staff wages/ salaries/ benenits that were capitalized (deducted from tax)	
Regulatory Adjustments	10		0		
Interest Adjustment for tax purposes **(See Below - cell I207)**	11		0		
Tax reserves claimed in current year	4		0		
Reserves from F/S beginning of year	4		7,819,342		
Contributions to deferred income plans	3		0		

Contributions to pension plans	3		0		
Other deductions "Material" Items TAXREC	12		255,383		
Other deductions "Material" Item TAXREC 2	12		0		
Total TRUE-UPS before tax effect	26		-552,917		
Income Tax Rate from 2005 Utility's tax return			36.12%		
Income Tax Effect on True-up adjustments			-199,714		
Less: Miscellaneous Tax Credits	14		0		
Total Income Tax on True-ups			-199,714		
Income Tax Rate used for gross-up			35.00%		
TRUE-UP VARIANCE ADJUSTMENT			(307,252)		
IV b) Calculation of the Deferral Account Variance caused by changes in legislation					
REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate			3,879,216		

column)					
REVISED CORPORATE INCOME TAX RATE			36.12%		
REVISED REGULATORY INCOME TAX			1,401,173		
Less: Revised Miscellaneous Tax Credits			0		
Total Revised Regulatory Income Tax			1,401,173		
Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C61)			1,401,173		
Regulatory Income Tax Variance			0		
Ontario Capital Tax					
Base			52,062,025		
Less: Exemption from tab Tax Rates, Table 2, cell C39			6,366,667		
Revised deemed taxable capital			45,695,358		
Rate - Tab Tax Rates cell C54			0.3000%		
Revised Ontario Capital Tax			137,086		

Less: Ontario Capital Tax reported in the initial estimate column (Cell C73)			133,686		
Regulatory Ontario Capital Tax Variance			3,400		
Federal LCT					
Base			52,062,025		
Less: Exemption from tab Tax Rates, Table 2, cell C40			48,900,000		
Revised Federal LCT			3,162,025		
Rate (as a result of legislative changes) tab 'Tax Rates' cell C55			0.1750%		
Gross Amount			5,534		
Less: Federal surtax			43,447		
Revised Net LCT			0		
Less: Federal LCT reported in the initial estimate column (Cell C85)			0		
Regulatory Federal LCT Variance			0		
Actual Income Tax Rate used for gross-up			35.00%		
Income Tax (grossed-up)			0		
LCT (grossed-up)			0		
Ontario Capital Tax			3,400		
DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			3,400		

TRUE-UP VARIANCE (from cell I133)			(307,252)		
Total Deferral Account Entry (Positive Entry = Debit)			(303,852)		
(Deferral Account Variance + True-up Variance)					

d. *Please provide an analysis for each year end from October 1, 2001 through December 31, 2006. The schedule should show:*

The amounts required in sections I through VI for this question are detailed in the SIMPIL RRR Filings as included in the response to Question c above. Any further information is available in Appendix A of the rate application. This Appendix contains the independent study by RDI as to OPUCN's Deferred PILS assessment.

I. *The PILs proxy or allowance approved in rates;*

II. *The amounts billed to or collected from customers;*

III. *Adjustments calculated by the Board's methodology for trueup and deferral account entries;*

IV. *Any other adjustments recorded by OPUCN;*

V. *The interest carrying charge calculations and an explanation of how the interest amounts were calculated;*

VI. *Excess interest claw-back, if applicable.*

e. *Please explain any differences between the two analyses requested above.*

The continuity schedule is consistent with independent study.

f. *Where OPUCN deviated from the Board's PILs and SIMPIL methodology, please provide a description of each deviation and the reasons for each.*

OPUCN followed Board PILS and SIMPIL methodologies and is unaware of any deviations.

g. *What assumptions did OPUCN make for the following items in calculating its account balance to be disposed :*

I. Interest and penalties on unpaid or under-paid taxes;

Assumptions made followed CRA requirements as filed in annual tax returns.

II. Non-deductible expenses like: meals, club dues, car expenses;

Assumptions made followed CRA requirements as filed in annual tax returns.

III. Donations paid to registered charities or municipal owners;

Assumptions made followed CRA requirements as filed in annual tax returns.

IV. Joint ventures, subsidiary companies, equity income;

Assumptions made followed CRA requirements as filed in annual tax returns.

V. Costs disallowed by the Board in any proceeding;

N/A

VI. Profit or losses on disposals of fixed assets for accounting purposes;

N/A

VII. Capital gains or capital losses on disposals of capital assets for tax purposes;

Assumptions made followed CRA requirements as filed in annual tax returns.

VIII. Regulatory asset write-offs and recoveries for tax purposes.

Assumptions made followed CRA requirements as filed in annual tax returns.

h. *Are there Board precedents on which OPUCN has relied? Please provide the proceeding case docket references.*

OPUCN is not aware of any precedents including possible gas industry precedents. The account is a regulatory asset. The balance has been assessed by independent review. It is the belief of OPUCN that the account should be dispersed commencing in 2008.

i. *Should the expensing or recovery of regulatory assets be included in the calculation of regulatory PILs taxes? What Board precedents are being relied on in making this assertion? Please describe how OPUCN processed these transactions in the PILs calculations to determine the balance in account 1562.*

OPUCN is following the OEB's accounting requirements and the APH. As with all other variance and deferral accounts that are as required by OEB, this account should also be dispersed as a regulatory asset account.

j. *If a regulatory asset amount is denied collection by the Board, how should the denial be treated in the PILs tax calculations and reconciliation of the 1562 account?*

If decision is denied OPUCN would have to consider reductions on the Balance Sheet for both Deferral Account and Contra Account. However, those LDC's who selected Alternative #1 or #2 (as noted in OEB AFQ April 2003), would certainly be severely impacted. The financial implications could bring great concern to the industry as well as financial distress to both stakeholders and possible investment firms.

k. *What assumptions has OPUCN made in recording transactions in 1562 subsequent to April 30, 2006?*

Please review study (Appendix A) of OPUCN's rate application. In adherence to OEB requirements, LDCs ceased tracking monthly entitlement and collections figures after April 30, 2006. OPUCN complies with this requirement.

l. *Please provide the following tax-related documents for each tax year from 2001 through 2005:*

The requested documents are attached as Appendix D to this application.

I. Federal T2 tax return and supporting schedules – signed original and any returns that were subsequently amended and re-filed.

II. Ontario CT 23 tax return and supporting schedules – original and any returns that were subsequently amended and refiled.

III. Financial statements for each year that were submitted with the tax returns.

IV. Notice of Assessment received from the Ontario Ministry of Finance, Corporations Tax Branch.

V. Notice of Reassessment from the Ontario Ministry of Finance Corporations Tax Branch.

VI. Correspondence between OPUCN and the Ministry of Finance concerning disputes or disagreements regarding the calculations of PILs income tax, Large Corporation Tax and Ontario Capital Tax in any tax return for any year.

55. *Ref: Exhibit 11/Appendix B*

In the Oshawa PILs Interest Improvement Schedule, please provide how each of the following was calculated for each year (2001, 2002, and 2003):

- *Allowed Entitlement*
- *Actual Recoveries*
- *PILs Reconciliation Amount*

Please refer to the RDI report entitles" Deferred PILS Assessment Report" filed as Appendix A to the rate application. Calculations of the requested amounts are presented for 2001 through to 2006.

COST OF CAPITAL

56. *Ref: Exhibit 6 / Tab 1 / Schedule 2 – Capital Structure*

In the Capital Structure table shown in this Exhibit, a total return, or weighted average cost of capital, component of 4.06% is shown for both the 2006 Board-approved and 2007 Bridge years, in comparison to a proposed weighted average cost of capital of 7.60% calculated for the 2008 Test year. The table does not also show the capital structure breakdown in dollars.

Please resubmit the Capital Structure table in the following format for each of the years:

a. *2006 Board-approved;*
b. *2006 Actual;*

c. *2007 Bridge; and*
d. *2008 Test.*

Deemed Capital Structure

	2006 Board Approved				2006 Actual				2007 Bridge				2008 Test			
	Rate Base ($)	Ratio (%)	Rate (%)	Rate X Ratio / 100 (%)	Rate Base ($)	Ratio (%)	Rate (%)	Rate X Ratio / 100 (%)	Rate Base ($)	Ratio (%)	Rate (%)	Rate X Ratio / 100 (%)	Rate Base ($)	Ratio (%)	Rate (%)	Rate X Ratio / 100 (%)
Debt																
Long-term	23,065,665	50.00%	7.25%	3.63%	23,065,665	50.00%	7.25%	3.63%	23,065,665	50.00%	7.25%	3.63%	23,065,665	49.34%	6.70%	3.31%
Short-term	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%	0	4.00%	4.77%	0.19%
Total Debt	23,065,665	50.00%	7.25%	3.63%	23,065,665	50.00%	7.25%	3.63%	23,065,665	50.00%	7.25%	3.63%	23,065,665	53.34%	11.47%	3.50%
Equity																
Common Equity	23,065,665	50.00%	9.00%	4.50%	23,065,665	50.00%	9.00%	4.50%	23,065,665	50.00%	9.00%	4.50%	23,065,665	46.67%	8.79%	4.10%
Preferred shares	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
Total Equity	23,065,665	50.00%	9.00%	4.50%	23,065,665	50.00%	9.00%	4.50%	23,065,665	50.00%	9.00%	4.50%	23,065,665	46.67%	8.79%	4.10%
Rate Base	46,131,330				46,131,330				46,131,330				46,131,330			
Weight Average Cost of Capital				8.13%				8.13%				8.13%				7.60%

The weighted cost of capital figure that should have been reflected in Exhibit 6/ Tab 1/ Schedule 2 should be 8.13% and not 4.06%

57. *Ref: Exhibit 6 / Tab 1 / Schedule 2 – Short-term Debt*

In this table, Oshawa PUC Networks shows an interest rate for Short-term Debt of 4.77% for the 2008 Test year. However, there is no discussion or derivation of, or support for this rate in Oshawa PUC Networks' application, specifically in Exhibit 6 / Tab 1 / Exhibit 1, section 4.0 Cost of Debt.

The Board Report on Cost of Capital and 2nd Generation Incentive Regulation Mechanism for Ontario Electricity Distributors, issued December 20, 2006 (the "Board Report") states the following in section 2.2.2:

"***The Board has determined that the deemed short-term debt rate will be calculated as the average of the 3-month bankers' acceptance rate plus a fixed spread of 25 basis points****. This is consistent with the Board's method for accounting interest rates (i.e. short-term carrying cost treatment) for variance and deferral accounts. The Board will use the 3-month bankers' acceptance rate as published on the Bank of Canada's website, for all business days of the same month as used for determining the deemed long-term debt rate and the ROE.*

For the purposes of distribution rate-setting, the deemed short-term debt rate will be updated whenever a cost of service rate application is filed. The deemed short-term debt rate will be applied to the deemed short-term debt component of a distributor's rate base. Further, consistent with updating of the ROE and deemed long-term rate, the deemed short-term debt rate will be updated using data available three full months in advance of the effective date of the rates." [Emphasis in original]

a. *Please provide a derivation of the proposed rate of 4.77%, showing the calculations, data used and the data sources.*

The 4.77% rate results from a bankers' acceptance rate of 4.52% published on the Bank of Canada's website (as at June 1st, 2007), plus 25 basis points.

b. *Is Oshawa PUC Networks proposing that the 4.77% should be used for setting its 2008 revenue requirement and distribution rates, or is it proposing that the short-term debt rate should be updated in accordance based on January 2008 data from Consensus Forecasts and the Bank of Canada, in accordance with the methodology documented in Section 2.2.2 of the Board Report?*

In compliance with OEB guidelines, OPUCN has calculated its short term debt rate to be 4.77% as above and expects that this calculation will be updated based on January 2008 data from Consensus Forecasts and the Bank of Canada, in accordance with the methodology documented in Section 2.2.2 of the Board Report. OPUCN would like to

point out that although we can accept using a 40% - 60% debt split for our revenue requirement calculations we do not believe that this reflects our actual debt structure.

c. *If the answer to b) is that Oshawa PUC Networks is not proposing to update the short-term debt rate in accordance with the methodology documented in the Board Report, please state the rationale for departing from the methodology in the Board Report.*

N/A

58. *Ref: Exhibit 6 / Tab 1 / Schedule 3 – Long-term Debt*

a. *Please provide details on the long-term debt labelled as "Original Debt – Nov. 1, 2000" with a principal of $23,065,665 and a calculated cost rate of 7.25%. Such documentation should identify the debt holder, whether that party is affiliated with Oshawa PUC Networks, the term of the debt instrument, and whether the rate is fixed or variable, and any conditions on negotiability or on the allowed rate.*

This debt is in the form of a demand note held by OPUC, the parent of OPUCN. The interest rate is fixed at 7.25%.

b. *The Balance Sheet and Note 11 of Oshawa PUC Networks Audited Financial Statements for 2006, filed as Exhibit 1 / Tab 3 / Schedule 1, indicate that the principal of the note payable to the shareholder is $23,064K. Please reconcile this with the principal of $23,065,665 shown in Exhibit 6 / Tab 1/ Schedule 3.*

This discrepancy is the result of a transcription error made during the final production of the application. The principal shown in Exhibit 6/Tab 1/ Schedule 3 should be $23,063,665 which rounds to $23,064K.

59. *Ref: Exhibit 6 / Tab 1 / Schedules 1 and 4 – Return on Equity*
Oshawa PUC Networks states that it is "proposing an 8.79% return on equity return for the 2008 test year".

a. *Please confirm if Oshawa PUC Networks is seeking a fixed return of 8.79%, or is proposing that, for purposes of finalizing Oshawa PUC Networks' revenue requirement for the 2008 rate year, the ROE be updated using January 2008 Consensus Forecasts and Bank of Canada data when these become available, as documented in Appendix B of the Board Report.*

OPUCN is proposing that the ROE be updated using January 2008 Consensus Forecasts and Bank of Canada data when these become available.

b. *If Oshawa PUC Networks is proposing a fixed ROE of 8.79%, please provide an explanation from departing from the Board's Cost of Capital guidelines.*

N/A

c. *Please provide the derivation of the proposed ROE of 8.79%, showing the calculation and the source data, and identifying the sources for the data and time period used.*

Government of Canada Bond Yields	
3-month forecast of the 10-year bond yield	4.60%
12-month forecast of the 10-year bond yield	4.80%
Average actual prior month 30-year bond yield	4.17%
Average actual prior month 10-year bond yield	4.12%
Long Canada Bond Forecast (LCBF)	4.75%
Return On Equity	**8.79%**

These percentages are based on Consensus Forecasts and Bank of Canada numbers as at July 2007.

REVENUE REQUIREMENT

60. *Ref: Exhibit 7/Tab 1/Schedule 1*

Board Staff have prepared the following table which shows the calculation of OPUCN's Revenue Requirement from Distribution Rates and Revenue Requirement from Rate Riders from the 2006 EDR. Revenue Requirement from Distribution Rates can be confirmed by applying the 2006 EDR distribution billing determinants time the Board approved May 1, 2006 distributions rates. Note some differences may be the result of rounding.

(Table reproduced below with OPUCN input)

a. *Please confirm that OPUCN agrees with the values in the table above. If OPUCN does not agree please prepare an amended schedule with supporting details.*

The values in this table appear to be correct.

b. *Please use the following format from the table below as a guide for preparing a similar schedule for OPUCN's 2008 application. Please ensure that application references are accurate. Note the values entered are for example purposes only and may or may not be correct for this application.*

Revenue Requirement - 2008 EDR Application

Oshawa PUC Network Inc.
EB-2007-0710

	2008 Application Reference			2008 Application Amount	
Applicants Rate Base					
2007 Net Fixed Assets	Exhibit 2 Tab 2 Schedule 1 Page 11	46,211,762	A.		
2008 Net Fixed Assets	Exhibit 2 Tab 2 Schedule 1 Page 11	52,809,618	B.		
Average Net Fixed Assets (2007 Plus 2008 Divided by 2)				49,510,690	C.
Working Capital Allowance Base	Exhibit 2 Tab 4 Schedule 1 Page 5	101,650,320	D.		
Working Capital Allowance	Exhibit 2 Tab 4 Schedule 1 Page 5	15%	E.	15,247,548	
Rate Base	Exhibit 2 Tab 1 Schedule 1 Page 2			**64,758,238**	G.
Return on Rate Base					
Deemed Short Term Debt %	Exhibit 6 Tab 1 Schedule 2 Page 1	4.00%	H.	2,590,330	K.
Deemed Long Term Debt %	Exhibit 6 Tab 1 Schedule 2 Page 1	49.33%	I.	31,945,239	L
Deemed Equity %	Exhibit 6 Tab 1 Schedule 2 Page 1	46.67%	J.	30,222,670	M
Short Term Interest	Exhibit 6 Tab 1 Schedule 2 Page 1	4.77%	N.	123,559	Q.
Long Term Interest	Exhibit 6 Tab 1 Schedule 2 Page 1	6.70%	O.	2,140,423	R
Return on Equity	Exhibit 6 Tab 1 Schedule 2 Page 1	8.79%	P	2,656,573	S
Return on Rate Base	Exhibit 6 Tab 1 Schedule 2 Page 1			**4,920,554**	T.
Distribution Expenses					
OM&A Expenses	Exhibit 4 Tab 2 Schedule 1 Page 3	10,792,063	U		
Transformer Allowance	Exhibit 9 Tab 1 Schedule 4 Page 1	239,375	V.		
Amortization	Exhibit 2 Tab 2 Schedule 4 Page 3	4,395,490	W.		
PILS	Exhibit 4 Tab 3 Schedule 1 Page 2	1,935,917	X	**17,362,845**	Y.

Variance / Deferral Account Rate Adders						
Low Voltage		n/a		Z.		
Smart Meters	Exhibit 9 Tab 1 Schedule 1 Page 1		167,252	AA.		
Incremental CDM		n/a		AB.	**167,252**	AC.
Revenue Offsets						
Specific Service Charges	Exhibit 3 Tab 3 Schedule 1 Page 2		704,147	AD.		
LatePayment	Exhibit 3 Tab 3 Schedule 1 Page 2		198,733	AE.		
Other Distribution Income	Exhibit 3 Tab 3 Schedule 1 Page 2		698,776	AF.		
Other Income and Dedustions	Exhibit 3 Tab 3 Schedule 1 Page 2		0	AG.	**1,601,656**	AH.
Revenue Requirement from Distribution Rates	Exhibit 7 Tab 1 Schedule 1 Page 1				**20,848,995**	AI.
Variance / Deferral Account Rate Adders						
Regulatory Assets	Exhibit 5 Tab 1 Schedule 2 Page 2				1,191,661	AJ.
LRAM & SSM	Exhibit 10 Tab 1 Schedule 2 Page 1				147,025	AK.
						AL.
						AM.
Revenue Requirement from Rate Riders					**1,338,686**	AN.
Revenue Requirement from Distribution Rates					20,848,995	AO.
2008 Forecast Billing Determinates Time Current Rates	Exhibit 7 Tab 1 Schedule 1 Page 2				17,905,146	AP.
Revenue Sufficiency/ ***Deficiency***					**2,943,849**	AR.

c. *Using the applicant prepared 2008 Revenue Requirement schedule as requested above please compare and contrast the 2008 Test Year application values to the OEB Approved 2006 values in the Board staff table. Please identify application references that exist in the application where 2006 values have been compared to 2006 actual results (i.e. OM&A expenses). If no comparison schedule exists in the application please prepare complete supporting schedules in the format required by the minimum filing guidelines.*

Oshawa PUC Network Inc.
EB-2007-0710

		2006 Approved			2008 Application Amount	
Applicants Rate Base						
Beg. Net Fixed Assets			46,211,762	A.		
End Net Fixed Assets			52,809,618	B.		
Average Net Fixed Assets		39,335,572			49,510,690	C.
Working Capital Allowance Base	90,896,054	90,896,054	101,650,320	D.		
Working Capital Allowance	15%	13,634,408	15%	E.	15,247,548	
Rate Base		**52,969,980**			**64,758,238**	G.
Return on Rate Base						
Deemed Short Term Debt %			4.00%	H.	2,590,330	K.
Deemed Long Term Debt %	50%	26,484,990	49.33%	I.	31,945,239	L
Deemed Equity %	50%	26,484,990	46.67%	J.	30,222,670	M
Short Term Interest			4.77%	N.	123,559	Q.
Long Term Interest	7.25%	1,920,162	6.70%	O.	2,140,423	R
Return on Equity	9.00%	2,383,649	8.79%	P	2,656,573	S
Return on Rate Base		**4,303,811**			**4,920,554**	T.
Distribution Expenses						
OM&A Expenses	8,849,124		10,792,063	U		
Transformer Allowance	289,348		239,375	V.		

Amortization	3,383,711			4,395,490	W.		
PILS	2,075,321	14,597,504		1,935,917	X	17,362,845	Y.
Variance / Deferral Account Rate Adders							
Low Voltage			n/a		Z.		
Smart Meters	156,751			167,252	AA.		
Incremental CDM		156,751	n/a		AB.	167,252	AC.
Revenue Offsets							
Specific Service Charges	406,857			704,147	AD.		
LatePayment	200,532			198,733	AE.		
Other Distribution Income	42			698,776	AF.		
Other Income and Dedustions	667,896	1,275,327		0	AG.	1,601,656	AH.
Revenue Requirement from Distribution Rates		17,782,739				20,848,995	AI.
Variance / Deferral Account Rate Adders							
Regulatory Assets		1,172,604				1,191,661	AJ.
LRAM & SSM		0				147,025	AK.
							AL.
							AM.
Revenue Requirement from Rate Riders		1,172,604				1,338,686	AN.
Revenue Requirement from Distribution Rates		n/a				20,848,995	AO.
2008 Forecast Billing Determinates Time Current Rates		n/a				17,905,146	AP.
Revenue Sufficiency/ ***Deficiency***		n/a				2,943,849	AR.

C Net Fixed Assets- Exhibit 2 Tab 1 Schedule 1 Page 1-6 & Exhibit 2 Tab 2 Schedule 3 Page 1-7, & Exhibit 2 Tab 3 Schedule 3 Page 1-15.
G Working Capital Tables -Exhibit 2 Tab 4 Schedule 1 Page 5
U OM&A Expenses - Exhibit 4 Tab 1 Schedule 1 Page 1-5, Exhibit 4 Tab 2 Schedule 2 Page 1-8.
V Transformer Allowance - Exhibit 9 Tab 1 Schedule 4 Page 1

Customer Class	Active	Volume	Historical Approved Data			Historical Actual Data			Bridge Year Projection			Test Year Projection		
	YES	Metric	Volume	Rate	Total	Volume	Rate	Total	Volume	Rate	Total	Volume	Rate	Total
Residential (R1)	YES	kWh			**0**			**0**			**0**			**0**
GS <50 (C1)	YES	kWh			**0**			**0**			**0**			**0**
GS>50 kW < 200 kW (I1)	YES	kW	108,912	$0.6000	**65,347**	92,405	$0.6000	**55,443**	92,405	$0.6000	**55,443**	92,405	$0.6000	**55,443**
GS>1000 kW < 5000 kW (I2 - Intermediate)	YES	kW	130,203	$0.6000	**78,122**	106,913	$0.6000	**64,148**	106,913	$0.6000	**64,148**	106,913	$0.6000	**64,148**
Large Use >5MW (I3)	YES	kW	243,131	$0.6000	**145,879**	199,641	$0.6000	**119,785**	199,641	$0.6000	**119,785**	199,641	$0.6000	**119,785**
Street Light	YES	kW			**0**			**0**			**0**			**0**
Sentinel	YES	kW			**0**			**0**			**0**			**0**
Unmetered Scattered Load (USL)	YES	kWh			**0**			**0**			**0**			**0**
TOTAL	**YES**				**289,348**			**239,375**			**239,375**			**239,375**

The proposed transformer Allowance rate is not changed from the historic value. The number of transformers is obtained from billing records.

W Amortization -Exhibit 2 Tab 2 Schedule 4 Page 1
X PILS -Exhibit 4 Tab 3 Schedule 1 Page 2 - Based on changes of taxable income items, schedule one and tax rates.
AA Smart Meters - Exhibit 9 Tab 1 Schedule 1 Page 1
AH Revenue Offsets - Exhibit 3 Tab 3 Schedule 2 Page 1-6
AK Regulatory Assets- Exhibit 5 Tab 1 Schedule 2 Page 2
AK LRAM & SSM -Exhibit 10 Tab 1 Schedule 2 Page 1 (first time OPUCN is applying for these amounts)

d. *Please compare the prepared schedule from (b.) above to OPUCN's Revenue Sufficiency or Deficiency values as calculated on Exhibit 7/Tab 1/Schedule 1. If Revenue Sufficiency or Deficiency values are different please prepare a reconciliation to explain differences.*

The differences between Schedule b. Revenue Requirement and the 2008 EDR Application and Exhibit 7 Tab 1 Schedule 1 Page 2 are that Schedule b. includes both projected Transformer Allowance and projected Smart Meter Deferral figures.

Transformer Allowance	Exhibit 9 Tab 1 Schedule 4 Page 1	239,375	V.
Smart Meters	Exhibit 9 Tab 1 Schedule 1 Page 1	167,252	AA.
	Difference in Revenue Requirement from Distribution Rates	406,627	

In the 2008 Application the methodology for calculating Revenue Sufficiency/ Deficiency differs from that used to calculate Revenue Sufficiency/ Deficiency in Schedule b. The Application calculation adds Revenue offsets to Revenue Sufficiency/ Deficiency return. Basically the difference in the results of the two calculations of Revenue Sufficiency/Deficiency is caused by the inclusion of Transformer allowance and Smart Meters amounts in schedule b.

COST ALLOCATION

61. *Ref: Exhibit 8/Tab 1/ Schedule 1*

Please file Run 2 of the Informational Filing as an official part of the record in this Application.

Run 2 is in the form of an Excel file which has been converted to pdf format and is attached to this submission as Appendix E.

62. *Ref: Appendix E / Page 3*

Please provide an alternative set of revenue to cost ratios, in which rates and revenues from Street lighting are increased to yield a revenue to cost ratio of 70%, and revenue is decreased by an equal amount from one or more classes that have ratios above 200%.

Although this question relates only to the Street Lighting class and others with a recovery ratio over 200%, such a shift cannot be performed without also impacting other customer classes. Therefore, the following tables reflect changes to cost to revenue ratios made to recover 70% of costs from the Street Lighting class, and changing all other customer category ratios to reflect the ceiling and floor levels identified by the OEB in its report issued November 28, 2007. This table also reflects changes in fixed charges to reflect the desired levels identified in the same report.

Customer Class	Base Revenue Requirement %			Base Revenue Requirement $			Adjusted Revenue to Meet Cost Allocation Req	CDM	Total Base
	Cost Allocation	Existing Rates	Rate Application	Cost Allocation	Existing Rates	Rate Application		Revenue Allocations	Revenue Requirement
Residential (R1)	18.77%	53.33%	**53.33%**	12,394,266	9,548,456	**10,901,914**	**11,549,541**	0	10,901,914
GS <50 (C1)	1.53%	16.89%	**16.81%**	2,569,255	3,009,733	**3,436,362**	**3,083,106**	0	3,436,362
GS>50 kW < 1000 kW (I1)	1.77%	19.07%	**19.07%**	3,837,956	3,433,489	**3,898,359**	**4,129,941**	0	3,898,359
GS>1000 kW < 5000 kW (I2 - Intermediate)	4.40%	5.33%	**5.33%**	313,397	953,632	**1,089,578**	**564,114**	0	1,089,578
Large Use >5MW (I3)	0.03%	3.67%	**3.67%**	362,122	657,448	**750,235**	**416,441**	0	750,235
Street Light	0.29%	1.45%	**1.45%**	898,448	260,280	**296,414**	**629,000**	0	296,414
Sentinel	100.00%	0.02%	**0.02%**	6,869	3,060	**4,088**	**4,808**	0	4,088

Unmetered Scattered Load (USL)	0.00%	0.32%	**0.32%**	60,054	57,226	**65,416**	**65,416**	0	65,416
TOTAL	**126.80%**	**100.08%**	**100.00%**	**20,442,367**	**17,923,324**	**20,442,367**	**20,442,367**	**0**	**20,442,367**

Customer Class	**Revenue to Cost Ratio ***	**Revenue ADJUSTED Cost Ratio**	**Percentage**	**Percentage Allocation Fixed**	**Variable**	**Total**	**Base Rates (with Revenue Requirement) Fixed**	**Variable**	**Total**		**Base Rates Fixed**	**Variable**
Residential (R1)	0.88	0.93	56.5%	38.1%	61.9%	100.0%	4,395,545	7,153,996	11,549,541	kWh	7.75	0.0144
GS <50 (C1)	1.34	1.20	15.1%	13.6%	86.4%	100.0%	417,761	2,663,803	3,081,564	kWh	9.05	0.0185
GS>50 kW < 1000 kW (I1)	1.02	1.08	20.2%	8.6%	91.4%	100.0%	354,537	3,775,403	4,129,941	kW	56.60	4.1992
GS>1000 kW < 5000 kW (I2 - Intermediate)	3.48	1.80	2.8%	22.1%	77.9%	100.0%	124,724	439,390	564,114	kW	1154.85	2.5650
Large Use >5MW (I3)	2.07	1.15	2.0%	38.4%	61.6%	100.0%	159,808	256,633	416,441	kW	6658.66	1.1400
Street Light	0.33	0.70	3.1%	25.2%	74.8%	100.0%	158,787	470,213	629,000	kW	1.14	17.9382
Sentinel	0.60	0.70	0.0%	74.6%	25.4%	100.0%	3,586	1,222	4,808	kW	3.88	8.790
Unmetered Scattered Load (USL)	1.09	1.09	0.3%	28.3%	71.7%	100.0%	18,492	46,924	65,416	kWh	5.05	0.0210
TOTAL	1.00	1.00	100.0%	31.1%	68.9%	100.0%	5,633,241	14,807,584	20,440,825			

RATE DESIGN

Regulatory Asset Recovery Rate Riders

63. *Ref: Exhibit 5 / Tab 1 / Schedule 3 / Pages 3 – 4*

The columns for Street lighting, Sentinel Lights, and USL appear to be missing from the table. If so, please complete the table by adding the missing information.

These columns were cut off during reproduction but were in the original table. The entire table has been reproduced below.

Account Description	Account Number	Dec31/06 Balance	Apr 30/08 Balance	Allocation Basis	Residential	GS < 50 KW	GS > 50 to 999	Intermediate	Large Users	Small Scattered Load	Sentinel Lighting	Street Lighting	Totals
Unrecovered Plant and Regulatory Study Costs	1505	-	-										-
Other Regulatory Assets	1508	(21,501)	(21,501)	KWh	(9,184)	(2,653)	(6,619)	(1,486)	(1,334)	(41)	(1)	(184)	(21,501)
Preliminary Survey and Investigation Charges	1510	-	-										-
Emission Allowance Inventory	1515	-	-										-
Emission Allowances Withheld	1516	-	-										-
Retail Cost Variance Account - Retail	1518	-	-										-
Power Purchase Variance Account	1520	-	-										-
Misc. Deferred Debits - incl. Rebate Cheques	1525	-	-										-
Deferred Losses from Disposition of Utility Plant	1530	-	-										-
Unamortized Loss on Reacquired Debt	1540	-	-										-
Development Charge Deposits/ Receivables	1545	-	-										-
Retail Cost Variance Account - STR	1548	-	-										-
LV Variance Account	1550	-	-										-
Smart Meter Capital Variance Account	1555	-	-										-

Smart Meters OM&A Variance Account	1556	-	-										-
Deferred Development Costs	1560	-	-										-
Deferred Payments in Lieu of Taxes	1562	782,107	812,655	Dx Revenue	433,372	136,602	155,010	43,282	29,839	2,597	139	11,813	812,655
PILS Contra Account	1563	-	-										-
CDM Expenditures and Recoveries	1565	-	-										-
CDM Contra Account	1566	-	-										-
Qualifying Transition Costs	1570	-	-										-
Pre-Market Opening Energy Variances Total	1571	-	-										-
Extra-Ordinary Event Losses	1572	-	-										-
Deferred Rate Impact Amounts	1574	-	-										-
RSVA - Wholesale Market Service Charge	1580	(677,570)	(719,903)	KWh	(307,490)	(88,814)	(221,603)	(49,760)	(44,664)	(1,378)	(25)	(6,169)	(719,903)
RSVA - One-time Wholesale Market Service	1582	63,405	67,041	KWh	28,635	8,271	20,637	4,634	4,159	128	2	575	67,041
RSVA - Retail Transmission Network Charge	1584	2,998,076	3,175,027	KWh	1,356,138	391,700	977,347	219,460	196,983	6,078	112	27,209	3,175,027
RSVA - Retail Transmission Connection Charge	1586	(1,605,640)	(1,703,767)	KWh	(727,724)	(210,192)	(524,459)	(117,765)	(105,704)	(3,262)	(60)	(14,601)	(1,703,767)
RSVA - Power	1588	115,716	128,602	KWh	54,929	15,865	39,587	8,889	7,979	246	5	1,102	128,602
Deferred PILs Account	1592	144,447	144,447	KWh	61,697	17,820	44,464	9,984	8,962	277	5	1,238	144,447
Other Deferred Credits	1590	59,208	59,208	KWh	25,289	7,304	18,226	4,092	3,673	113	2	507	59,208

Sub-total to Dispose at May1/08 or Dec31/06?	Apr30/08	**1,858,248**	**1,941,809**		**915,664**	**275,904**	**502,590**	**121,330**	**99,894**	**4,759**	**179**	**21,490**	**1,941,809**
Clear residual 1590 balance as of April 30/08?	YES	YES	Apr30/08		227,878	49,304	139,777	4,829	15,505	1,892	9	1,725	**440,920**
		NO	Dec31/06										
Total to Dispose at May1/08					**1,143,542**	**325,208**	**642,367**	**126,159**	**115,399**	**6,651**	**188**	**23,215**	**2,382,728**
Disposal period?	2 YEARS	2 YEARS			571,771	162,604	321,183	63,079	57,700	3,325	94	11,607	**1,191,364**
		3 YEARS											
Projected 2008 Rate Riders					**0.0011**	**0.0011**	**0.3593**	**0.3682**	**0.4116**	**0.0000**	**0.0023**	**0.4428**	
Rate Determinant					kWh	kWh	kW	kW	kW	kW	kWh	kW	

64. *Ref: Exhibit 9 / Tab 1 / Schedules 5 and 6*

a. *Please provide a detailed explanation for why the rate rider for the I2 - Intermediate Class is proposed to increase from $0.0820 per kW to $0.3682, an increase of approximately 350%.*

In the EDR 2006 filing, the methodology used to determine the rate rider was to calculate the eligible Regulatory Assets/ Liabilities and RSVA accounts, allocate that amount to the respective customer classes, and recover those amounts from each. However, previous to EDR 2006 the rate rider for I2 - Intermediate Class had been calculated too high in previous rate applications. In other words, this class was paying an artificially higher rate rider than it should have been. The EDR 2006 remedied this matter by reducing the rate rider calculated for EDR 2006 by the overpayment calculated for the Intermediate class. The overpayment has now been fully returned and 2008 the Intermediate class is returning the current rate rider level. A copy of Sheet 2-Rate Riders Calculation as filed for EDR 2006 is attached.

Sheet 2 - Rate Riders Calculation

NAME OF UTILITY	Oshawa PUC Networks Inc.
NAME OF CONTACT	Mike Chase
E-mail Address	mchase@opuc.on.ca
VERSION NUMBER	v2.0
Date	2-Dec-05

Regulatory Asset Accounts:	**Decision Ref.#**	**Amount**	**ALLOCATOR**	**Intermediate**
WMSC - Account 1580	2.0.35	1,708,866	kWh	87,510
One-Time WMSC - Account 1582	2.0.35	120,842	kWh	6,188
Network - Account 1584	2.0.35	3,465,470	kWh	177,465
Connection - Account 1586	2.0.35	(1,980,730)	kWh	(101,432)
Power - Account 1588	2.0.35	(366,563)	kWh	(18,772)
Subtotal - RSVA		2,947,885		150,960

Other Regulatory Assets - Account 1508		6,209		
Retail Cost Variance Account - Acct 1518		0	# of Customers	0
Retail Cost Variance Account (STR) Acct 1548		0	# of Customers	0
Rebate Cheques - Acct 1525	5.0.19	200	# cust. w/ Rebate Cheq	
Hydro One's Environmental Costs - Acct 1525	5.0.25	0	Dx Revenue	0
Pre Market Opening Energy - Acct 1571	3.0.27	1,086,000	kWh for Non TOU Cust.	
Extraordinary Event Losses - Acct 1572		0		
Deferred Rate Impact Amounts - Acct 1574		0		
Other Deferred Credits - Acct 2425		0		
Transition Costs - Acct 1570	7.0.67	396,988	# of Customers	57
Subtotal - Non RSVA		1,489,397		57
Total to be Recovered		4,437,283		151,017

Interim Transition Cost Recoveries (if applicable)	10.0.19			
Recoveries - Mar 1-02 to Mar 31-04		0		0
Recoveries - Mar 1-02 to Mar 31-04 (Interest)		0		0
Recoveries - Apr 1-04 to Apr 30-06 (Interest)		0		0
Recoveries - Interim Transition Costs - Total		0		0
Reg. Assets Interim Recoveries:	10.0.19			
Phase 1 Recoveries - Apr 1-04 to Mar 31-05		1,009,401		65,465

Phase 1 Recoveries - Apr 1-04 to Mar 31-05 (Interest)	31,585		2,095
Phase 1 Recoveries - Apr 1-05 to Apr 30-06 (Interest)	79,280		5,142
Phase 1 (1st Interim) Recoveries - Total	1,120,266		72,702
Phase 1 Recoveries - Apr 1-05 to Apr 30-06	937,690	Estimate after Jun.05	56,858
Phase 1 Recoveries - Apr 1-05 to Apr 30-06 (Interest)	34,119		2,049
Phase 1 (2nd Interim) Recoveries - Total	971,808		58,907
Total Recoveries to April 30-06	2,092,075		131,609
Balance to be collected or refunded in the next 2 years	2,345,208		19,408
Balance to be collected or refunded per year	1,172,604		9,704

	I2 Industrials
Class	**GS > 1000kw < 5000 kw Intermediate**
Regulatory Asset Rate Riders	$ 0.0820
Billing Determinants	kW

b. *Please provide a detailed explanation of why the rate rider for Sentinel Lights is proposed to decrease from $0.1748 per kW to $0.0023 per kW, and also for why*

it is proposed that the rate rider for Unmetered Scattered Load should fall to $0.0000.

In 2004 and in the EDR 2006 filing, Sentinel Lights and Streetlights were grouped together for the purpose of calculating rate riders. Information, especially load information, is now better segmented. This allows this rate class to be separated for rate rider determination for 2008. Therefore, Sentinel Lights move from the Streetlight Rate rider of $.1748 as calculated in EDR 2006 to its own rate rider of $.0023 per kW. Unmetered Scattered Load (USL) has such a low kWh consumption that with this amount used for allocation purposes, the rate rider results do not register high enough to appear on schedules. The rate rider comes out as .0000460 per kWh.

Streetlight Rates

65. *Ref: Exhibit 9 / Tab 1*

Please provide a justification for increasing the rates to Streetlights by the same percentage as all other classes, in view of the low revenue to cost ratio of 23% in the Cost Allocation Informational Filing.

At the time that this application was submitted there was no final direction from the OEB concerning the application of the information produced from the Cost Allocation Informational Filing. The only direction available was available was from proceeding RP-2007-0074, a rate application from Powerstream. In its commentary on this decision the Board clearly indicated that a final decision is pending:

> "While the cost allocation model was developed collaboratively with stakeholders, the Board has not yet made a decision on the implementation of the model in rate making."

OPUCN submits that it would be prudent to maintain its existing Revenues to Cost Ratios until the Board completes its cost allocation review and provides direction to the industry, rather than taking any action at this time. OPUCN will implement any cost allocation adjustment required by the Board that comes out of its review.

General Service Classes > 1000 kW

66. *Ref: Exhibit 9 / Tab 1*

Please provide a justification for increasing the rates to the classes > 1000 kW by the same percentage as all other classes, in light of the comparatively high revenue to cost ratio of approximately over 300% (1000 – 5000 kW) and over 250% (>5000kW) in the Cost Allocation Informational Filing.

At the time that this application was submitted there was no final direction from the OEB concerning the application of the information produced from the Cost Allocation Informational Filing. The only direction available was available was from proceeding RP-2007-0074, a rate application from Powerstream. In its commentary on this decision the Board clearly indicated that a final decision is pending:

> "While the cost allocation model was developed collaboratively with stakeholders, the Board has not yet made a decision on the implementation of the model in rate making."

OPUCN submits that it would be prudent to maintain its existing Revenues to Cost Ratios until the Board completes its cost allocation review and provides direction to the industry, rather than taking any action at this time. OPUCN will implement any cost allocation adjustment required by the Board that comes out of its review.

CONSERVATION AND DEMAND MANAGEMENT

67. *Ref: Exhibit 10 /Tab 1/Schedules 1 – 3 and Exhibit 11 /Appendix F*

The Board's "Filing Requirements for Transmission and Distribution Applications" issued on November 14, 2006, outlines on page 39 the information that is required when filing an application for LRAM or SSM. Please provide the following:

a. *The kW or kWh impacts not adjusted for free riders. kW or kWh impacts net of free riders for each program and each rate class has been provided, however, the kW or kWh impacts not adjusted for free riders has not been provided ;*

Please see the LRAM and SSM Assessment from Enerspectrum Group filed as Appendix F with the rate application. This independent assessment and audit of LRAM amounts confirmed the kW or KwH impacts, both gross and net of free rider amounts, for each program and for each class. This confirmation is found on pages 5 and 6 of

the Enerspectrum report. No other program outside those assessed is included in calculations used in this rate application..

b. *Verification of participation levels; and*

Please see the pages 5 and 6 of the LRAM and SSM Assessment from Enerspectrum Group filed as Appendix F with the rate application. The chart below has the data used as input to the report.

c. *Duration of the programs in years and months.*

Program	Load Impact		Rate/ kWh	Revenue Impact	Participation Levels	Duration in Years
	kWh	kW				
Library Watt Reader Program	13,154	3	$0.01	$157	140	4
Every Kilowatt Counts (Spring)	1,674,492	107	$0.01	$19,926	6,167	25/2/3
Every Kilowatt Counts (Fall/Winter)	2,452,998	48	$0.01	$29,191	13,770	4/18/20
Residential 155 Colbourne Replace Bulk with Individual Meters	43,200	2	$0.01	$514	10	4/10/30
Total	4,183,845	160		$49,788	20,087	

68. *Ref: Exhibit 10 /Tab 1/Schedule 2*

In the column titled "LRAM to December 31 06" the Residential amount claimed is $49,788 which matches the EnerSpectrum Assessment, however, the total for the column is only $47,788. Please clarify and provide a revised schedule if the total is incorrect. If the total is correct please explain why there is the difference of $2,000.

In Exhibit 10 there is a transcription error in the TOTALS line at the bottom of the 5th column from the left titled "LRAM to Dec 31 06". The amount should be $49,788 as

reported in the first line of the column, and in the EnerSpectrum Group assessment. OPUCN apologizes for the error.

69. *Ref: Exhibit 10 /Tab 1/Schedule 2*

It appears that the proposed rate rider of 0.0001 includes only the LRAM impact and not the SSM impact. Please verify and, if it does not include the SSM impact, provide a new rate rider if required.

The calculation of SSM Impact resulted in a rate rider which was too low to register within the total LRAM plus SSM rate rider.

70. *Ref: Exhibit 10 /Tab 1/Schedule 2*

Please explain why Oshawa PUC Networks Inc. ("Oshawa PUC") has calculated the proposed rate rider based on the kW / kWh forecast for the 2008 test year and not based on the 2006 consumption and billing rates? Please provide a revised Schedule 2 that provides a proposed rate rider based on the 2006 consumption and billing rates

The following table details the calculations requested.

Customer Class	Allocation to Customer Classes %	Allocation to Customer Classes % for LRAM	Allocation to Customer Classes % for SSM	LRAM to Dec 31 06	SSM to Dec 31 06	Total to Be Recovered over 6 Months			
	Total for Customer class as % of Total for all Classes	Total kWh savings per class/ Total kWh savings	Total kWh savings per class/ Total kWh savings	Total kWh savings per class/ Total kWh savings	Total kWh savings per class/ Total kWh savings	Total kWh savings per class/ Total kWh savings	kWh 2006	kW 2006	Proposed Rate Rider
RESIDENTIAL									
Regular	52.7%	100.0%	95.80%	49,788.00	97,237.01	147,025.01	466,443,961		0.00008
GENERAL SERVICE									
Less than 50 kW	16.4%	0.0%	0.07%	-	-	-	13,415,570		-
Other > 50 kW > 1000 kW	19.8%	0.0%	4.08%	-	-	-	-	893,941	-
Intermediate Use (1000 - 5000 kW)	5.5%	0.0%	0.00%	-	-	-	-	171,299	-
Large Use (> 5000 kW)	3.8%	0.0%	0.00%	-	-	-	-	141,375	-
Unmetered Scattered Load	0.3%	0.0%	0.00%	-	-	-	2,205,188		-
Sentinel Lighting	0.0%	0.0%	0.00%	-	-	-	-	139	-
Street Lighting	1.4%	0.0%	0.00%	-	-	-	-	24,663	-
TOTALS	100.0%	100.0%	100.0%	49,788.00	97,237.01	147,025.01	482,064,719	1,231,417	

.

71. *Ref: Exhibit 11 /Appendix F*

The table for the LRAM amounts is titled "2005 Residential Load Revenue Impacts". However, Exhibit 10 /Tab 1/Schedule 1 states that "both the LRAM and SSM relate to fiscal year 2006"? Please confirm whether the Load Revenue Impacts relate to 2005 or 2006.

LRAM amounts are for reported 2006 CDM and so relate to "2006 Residential Load and Revenues Impacts".

72. *Ref: Exhibit 10 /Tab 1/Schedules 1 – 3 and Exhibit 11 /Appendix F*

Please identify any distribution rate funded residential, commercial, or industrial program(s) where load impacts were not calculated using the measure-specific values in the Board's Total Resource Cost ("TRC") Guide. For any program that did not use the measure-specific values in the TRC Guide, please provide the supporting documentation on how these load impacts were calculated.

a. *Please provide the calculations, inputs and assumptions that were used to determine the LRAM amount.*

Please see Appendix F – LRAM and SSM Assessment (Enerspectrum Group) of the rate application for details of this calculation.

73. *Ref: Exhibit 10 /Tab 1/Schedules 1 – 3 and Exhibit 11 /Appendix F*

a. *Please provide the calculations, inputs and assumptions that were used to determine the SSM amount.*

Please see Appendix F – LRAM and SSM Assessment (Enerspectrum Group) of the rate application for the details of this calculation.

74. *Ref: Exhibit 10 /Tab 1/Schedules 1 – 3 and Exhibit 11 /Appendix F*

Please confirm if any programs were jointly sponsored with other regulated distributors. If so, please identify those programs, and confirm whether the apportioned savings are in accordance with the TRC Guide and the Board's EB-2005-0523 Decision. If the apportioned savings are not in accordance with the TRC Guide and the Board's EB-2005-0523 Decision please refile accordingly.

The Programs were not jointly sponsored.

75. *Ref: Exhibit 10 /Tab 1/Schedules 1 – 3 and Exhibit 11 /Appendix F*

In its Report of the Board on the 2006 EDR Handbook, issued May 11, 2005, the Board stated: "There has been considerable discussion in this proceeding as to whether CDM expenditures on the utility side should be differentiated from customer-side expenditures. The Board recognizes that conservation programs should have a balance between the two. It is important to recall however, the Board's earlier finding that the SSM incentive does not apply to utility-side investments. The Board previously ruled with respect to the 2005 SSM that the inclusion of capitalised assets into rate base provides sufficient incentives. The Board continues to hold that view."

a. *Please confirm if Oshawa is claiming SSM amounts for any utility side programs.*

   I. If the answer to a) was yes, please provide a revised SSM amount with SSM amounts for utility-side programs removed.

No programs are utility side investment programs.

- End of Document -

APPENDIX A

DOCUMENTS IN RESPONSE TO QUESTION #37

Ontario

Ministry of Finance
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

2007 CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2004

Corporations Tax Act – Ministry of Finance (MOF)
Corporations Information Act – Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Government Services (MGS) **Annual Return**. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MGS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MGS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No **Page 1 of 20**

Corporation's Legal Name *(including punctuation)*

Oshawa PUC Networks Inc. PILs

CLIENT COPY

Ontario Corporations Tax Account No. (MOF)

[redacted]57

This Return covers the Taxation Year

Start: year month day 2006-01-01

End: year month day 2006-12-31

Mailing Address

100 Simcoe Street South

Oshawa
ON CA L1H 7M7

Has the mailing address changed since last filed CT23 Return? [ ] Yes | Date of Change: year month day

Date of Incorporation or Amalgamation: year month day 2000-11-01

Registered/Head Office Address

100 Simcoe Street South

Oshawa
ON CA L1H 7M7

Ontario Corporation No. (MGS): 0000001

Location of Books and Records

100 Simcoe Street South

Oshawa
ON CA L1H 7M7

Canada Revenue Agency Business No.
If applicable, enter: 89172 5210 RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
Michael Chase	(905) 723-4626	(905) 723-3248

Jurisdiction Incorporated: Ontario

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MGS)

Ontario Canada

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:

Commenced: year month day

Ceased: year month day

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MGS)

[X] *Not Applicable*

Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). ▶

No. of Schedule(s)

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MGS, please check (X) this box. Schedule(s) A and K are not required (MGS). ▶ [X] **No Change**

Preferred Language / *Langue de préférence*

[X] English *anglais* [ ] French *français*

Ministry Use

Certification (MGS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

Michael Chase

Title D [ ] Director O [X] Officer P [ ] Other individuals having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2006-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

Type of corporation

1

1 [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other *(specify)* ▼

Share Capital with full voting rights owned by Canadian Residents (nearest percent) 100 %

2

1 [ ] Family Farm corporation s.1(2)

2 [ ] Family Fishing corporation s.1(2)

3 [ ] Mortgage Investment corporation s.47

4 [ ] Credit Union s.51

5 [ ] Bank Mortgage subsidiary s.61(4)

6 [ ] Bank s.1(2)

7 [ ] Loan and Trust corporation s.61(4)

8 [ ] Non-resident corporation s.2(2)(a) or (b)

9 [ ] Non-resident corporation s.2(2)(c)

10 [ ] Mutual Fund corporation s.48

11 [ ] Non-resident owned Investment corporation s.49

12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

14 [ ] Bare Trustee corporation

15 [ ] Branch of Non-resident s.63(1)

16 [ ] Financial institution prescribed by Regulation only

17 [ ] Investment Dealer

18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale

19 [X] Hydro successor, municipal electrical utility or subsidiary of either

20 [ ] Producer and seller of steam for uses other than for the generation of electricity

21 [ ] Insurance Exchange s.74.4

22 [ ] Farm Feeder Finance Co-operative corporation

23 [ ] Professional corporation (incorporated professionals only)

[ ] This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)

[ ] Amended Return

[ ] Taxation year end change – Canada Revenue Agency approval required

[ ] Final taxation year up to dissolution *(Note: for discontinued businesses, see guide.)*

[ ] Final taxation year before amalgamation

[ ] The corporation has a floating fiscal year end

[ ] There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[ ] There was an acquisition of control to which subsection 249(4) of the federal *Income Tax Act* (ITA) applies since the previous taxation year

If checked, date control was acquired year month day

[ ] The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)

[ ] First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)

[ ] Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

Yes	No	
[ ]	[X]	Was the corporation inactive throughout the taxation year?
[X]	[ ]	Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?

Are you requesting a refund due to:

[ ]	[X]	the Carry-back of a Loss?
[ ]	[X]	an Overpayment?
[ ]	[X]	a Specified Refundable Tax Credit?
[ ]	[X]	Are you a member of a Partnership or Joint Venture?

Complete if applicable

Ontario Retail Sales Tax Vendor Permit no. (Use head office no.)

Ontario Employer Health Tax Account no. (Use head office no.)

Specify major business activity

Electricity Distrib

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	6,600,406 .
Subtract: Charitable donations	–	1	.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–	2	.
Subtract: Taxable dividends deductible, per federal Schedule 3	–	3	.
Subtract: Ontario political contributions *(Attach Schedule 2A)* (Int.B. 3002R)	–	4	.
Subtract: Federal Part VI.1 tax . x 3	–	5	.
Subtract: Prior years' losses applied – Non-capital losses From 715	–	From 704	.
Net capital losses (page 16) . x inclusion rate 50.000000 % =	–	714	.
Farm losses	–	From 724	.
Restricted farm losses	–	From 734	.
Limited partnership losses	–	From 754	.
Taxable Income (Non-capital loss)	=	10	6,600,406 .
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	6,600,406 .

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) 6,600,406 . x 30 100.0000 % (Ontario Allocation) x 12.5 % x (Days after Dec. 31, 2002 and before Jan. 1, 2004 33 ÷ Total Days 73 365) = + 29 .

From 10 (or 20 if applicable) 6,600,406 . x 30 100.0000 % (Ontario Allocation) x 14 % x (Days after Dec. 31, 2003 34 365 ÷ Total Days 73 365) = + 32 924,057 .

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 924,057 .

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [X] Yes [ ] No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	6,600,406 .
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	6,600,406 .	
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	.	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53	.	
	=	6,600,406 .	54 6,600,406 .
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55	300,000 .

Ontario Business Limit Calculation

320,000 x (Days after Dec. 31, 2002 and before Jan. 1, 2004 31 ÷ ** 365) = + 46 .

400,000 x (Days after Dec. 31, 2003 34 365 ÷ ** 365) = + 47 400,000 .

Business Limit for Ontario purposes 46 + 47 = 44 400,000 . x (Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated. 48 100.0000 %) = 45 400,000 .

Income eligible for the IDSBC From 30 100.0000 % (***Ontario Allocation) x 56 400,000 . = 60 400,000 .
Least of 50, 54 or 45

* ***Note:*** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note:*** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note:*** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 5 of 20
Oshawa PUC Networks Inc.	1800157	2006-12-31	DOLLARS ONLY

Income Tax *continued from Page 4*

Calculation of IDSBC Rate — 7 % x (Number of Days in Taxation Year: Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] ÷ Total Days [73] 365) = + [89]

8.5 % x (Days after Dec. 31, 2003 [34] 365 ÷ Total Days [73] 365) = + [90] 8.5000

IDSBC Rate for Taxation Year [89] + [90] = [78] 8.5000

Claim — From [60] 400,000 . x From [78] 8.5000 % = [70] 34,000 .

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount 400,000 in [114] below.

Surtax on Canadian-controlled Private Corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

Associated Corporation - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

***Taxable Income of the corporation** — From [10] (or [20] if applicable) + [80] 6,600,406 .

If you are a member of an associated group (X) [81] [X] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Taxable Income (if loss, enter nil)
OSHAWA POWER AND UTILITIES CORPORATION	1800156	2006-12-31	+ [82] .
OSHAWA PUC ENERGY SERVICES INC.	8114793	2006-12-31	+ [83] .
OSHAWA PUC SERVICES INC.	8114781	2006-12-31	+ [84] .

Aggregate Taxable Income [80] + [82] + [83] + [84] , etc. = [85] 6,600,406 .

320,000 x (Number of Days in Taxation Year: Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] ÷ Total Days [73] 365) = + [115] .

400,000 x (Days after Dec. 31, 2003 [34] 365 ÷ Total Days [73] 365) = + [116] 400,000 .

[115] + [116] = 400,000 . — [114] 400,000 .

(If negative, enter nil) = [86] 6,200,406 .

Calculation of Specified Rate for Surtax — 4.6670 % x (Number of Days in Taxation Year: Days after Dec. 31, 2002 [38] 365 ÷ Total Days [73] 365) = + [97] 4.6670

From [86] 6,200,406 . x From [97] 4.6670 % = [87] 289,373 .

From [87] 289,373 . x From [60] 400,000 . ÷ From [114] 400,000 . = [88] 289,373 .

Surtax Lesser of [70] or [88] = [100] 34,000

Note: Short Taxation Years – Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* - - - - - - - - - - - 110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits - + 120

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - From 56 400,000

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 34,000 ÷ From 30 100.0000 % ÷ From 78 8.5000 % = 121 400,000
*Ontario Allocation

Lesser of 56 or 121 - + 122 400,000

120 – 56 + 122 - = 130

Taxable Income - + From 10 6,600,406

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - From 56 400,000

Add: Adjustments for Surtax on Canadian-controlled private corporations - - - - - - - - - - - - - - - + From 122 400,000

Subtract: Taxable Income 10 6,600,406 X Allocation % to jurisdictions outside Canada - - - - - - - - - 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - - - - - - - - - 141

10 – 56 + 122 – 140 – 141 - = 142 6,600,406

Claim

Number of Days in Taxation Year

143 Lesser of 130 or 142 X From 30 100.0000 % Ontario Allocation X 1.5 % X (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 ÷ Total Days 73 365) = + 154

143 Lesser of 130 or 142 X From 30 100.0000 % Ontario Allocation X 2 % X (Days after Dec. 31, 2003: 34 365 ÷ Total Days 73 365) = + 156

M&P claim for taxation year 154 + 156 - = 160

** **Note:** Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity - - - - - - - - - = 162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). *(Attach schedule)* - 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 Credit Claimed 180

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 - - - - = 190 924,057

continued on Page 7

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 7 of 20
Oshawa PUC Networks Inc.	1800157	2006-12-31	DOLLARS ONLY

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to scientific research and experimental development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* + 191

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 CT23 Schedule 113 *(Attach Schedule 113)* + 192

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production 204
Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 193

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596
Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. 194
Eligible Credit From 6598 CT23 Schedule 115 *(Attach Schedule 115)* + 195

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 196

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 197

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* + 198

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 199

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 200

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 201

Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From 5896
Applies to employment of eligible apprentices. 202
Eligible Credit From 5898 CT23 Schedule 114 *(Attach Schedule 114)* + 203

Other (specify) + 203.1

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220

Specified Tax Credits ***Applied to reduce Income Tax*** = 225

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230 924,057

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8.** If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on **Page 17.**

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8.**

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Total Assets of the corporation	+ 240	84,571,000 .	
Total Revenue of the corporation		+ 241	94,517,000 .

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (X) 242 X (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
OSHAWA POWER AND UTILITIES CORPORATION	1800156	2006-12-31	+ 243 47,579,496 .	+ 244 3,259,143 .
OSHAWA PUC ENERGY SERVICES INC.	8114793	2006-12-31	+ 245 621,278 .	+ 246 41 .
OSHAWA PUC SERVICES INC.	8114781	2006-12-31	+ 247 1,357,899 .	+ 248 232,911 .
Aggregate Total Assets 240 + 243 + 245 + 247 , etc.			= 249 134,129,673 .	
Aggregate Total Revenue 241 + 244 + 246 + 248 , etc.				= 250 98,009,095 .

Determination of Applicability

Applies if ***either*** Total Assets 249 exceeds $5,000,000 ***or*** Total Revenue 250 exceeds $10,000,000.

Short Taxation Years – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

Calculation: CMT *(Attach Schedule 101.)*

Gross CMT Payable – CMT Base — From Schedule 101 2136 5,974,000 . (If negative, enter zero) X From 30 100.0000 % (Ontario Allocation) X 4 % = 276 238,960 .

Subtract: Foreign Tax Credit for CMT purposes *(Attach Schedule)*	–	277	
Subtract: Income Tax	–	From 190	924,057 .
Net CMT Payable (If negative, enter Nil on Page 17.)	=	280	-685,097 .

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from **Page 7** to **Income Tax Summary, on Page 17.**

If 280 is less than zero and you have a CMT credit carryover, complete A & B below.

If 280 is greater than or equal to zero, transfer 230 to **Page 17** and transfer 280 to **Page 17, and** to **Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.**

CMT Credit Carryover available From Schedule 101 — From 2333

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)			+ From 190	924,057 .
	Gross CMT Payable	+ From 276	238,960 .		
	Subtract: Foreign Tax Credit for CMT purposes	– From 277	.		
	If 276 – 277 is negative, enter NIL in 290	=	238,960 .	– 290	238,960 .
	Income Tax eligible for CMT Credit			= 300	685,097 .
B.	Income Tax (after deduction of specified credits)			+ From 230	924,057 .
	Subtract: CMT credit used to reduce income taxes			– 310	.
	Income Tax			= 320	924,057 .

Transfer to page 17

If A & B apply, 310 ***cannot exceed the lesser of*** 230 , 300 ***and your CMT credit carryover available*** 2333 .

If only B applies, 310 ***cannot exceed the lesser of*** 230 ***and your CMT credit carryover available*** 2333 .

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 9 of 20
Oshawa PUC Networks Inc.	1800157	2006-12-31	DOLLARS ONLY

Capital Tax *(Refer to Guide and Int.B. 3011R)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 *and* 430 *on page 10 then proceed to page 13.*

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in 480 *and* 430 *are both $3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* 550 *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.*

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(2)(a) or 2(2)(b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)	+	350	23,064,000
Retained earnings (if deficit, deduct) (Int.B. 3012R)	±	351	4,251,000
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	+	352	
Loans and advances *(Attach schedule)* (Int.B. 3013R)	+	353	33,878,741
Bank loans (Int.B. 3013R)	+	354	
Bankers acceptances (Int.B. 3013R)	+	355	
Bonds and debentures payable (Int.B. 3013R)	+	356	
Mortgages payable (Int.B. 3013R)	+	357	
Lien notes payable (Int.B. 3013R)	+	358	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	+	359	8,608,000
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	+	360	
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012R)	+	361	18,327,779
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)	+	362	
Subtotal	=	370	88,129,520
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)	–	371	
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	–	372	
Total Paid-up Capital	=	380	88,129,520
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	–	381	
Electrical Generating Corporations Only – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the *Corporations Tax Act*, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	–	382	
Net Paid-up Capital	=	390	88,129,520

Eligible Investments *(Refer to Guide and Int.B. 3015R)*

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	
Mortgages due from other corporations	+	403	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	
Loans and advances to unrelated corporations	+	405	343,347
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	
Total Eligible Investments	=	410	343,347

continued on Page 10

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015R) — *DOLLARS ONLY*

Total Assets per balance sheet	+	420	84,571,000
Mortgages or other liabilities deducted from assets	+	421	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	
Subtract: Investment in partnership(s)/joint venture(s)	–	423	
Total Assets as adjusted	=	430	84,571,000
Amounts in 360 and 361 (if deducted from assets)	+	440	18,327,779
Subtract: Amounts in 371, 372 and 381	–	441	
Subtract: Appraisal surplus if booked	–	442	
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	
Total Assets	=	450	102,898,779

Investment Allowance (410 ÷ 450) x 390 — **Not to exceed** 410 = 460 — 294,066

Taxable Capital 390 – 460 = 470 — 87,835,454

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 — 94,517,000

Total Assets (as adjusted) From 430 — 84,571,000

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: *This version (2007) of the CT23 may only be used for a taxation year that commenced after December 31, 2004.*

Financial Institutions use calculations on page 13.

Important: If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C on page 11, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

OR If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

B1. Calculation of Taxable Capital Deduction (TCD)

		Number of Days in Taxation Year						
		Days after Dec. 31, 2004 and before Jan. 1, 2006		Total Days				
7,500,000	x	36	÷	73	365	= +	501	
		Days after Dec. 31, 2005 and before Jan. 1, 2007		Total Days				
10,000,000	x	37	365 ÷	73	365	= +	502	10,000,000
		Days after Dec. 31, 2006 and before Jan. 1, 2008		Total Days				
12,500,000	x	38	÷	73	365	= +	504	
		Days after Dec. 31, 2007		Total Days				
15,000,000	x	39	÷	73	365	= +	505	
Taxable Capital Deduction (TCD)		501 + 502 + 504 + 505				=	503	10,000,000

B2. This section applies to corporations to calculate the prorated capital tax rate.

Calculation of Capital Tax Rate

		Number of Days in Taxation Year						
		Days before Jan. 1, 2007		Total Days				
0.3 %	x	556	365 ÷	73	365	= +	511	0.3000 %
		Days after Dec. 31, 2006 and before Jan. 1, 2009		Total Days				
0.285 %	x	557	÷	73	365	= +	512	%
Capital Tax Rate		511 + 512				=	516	0.3000 %

continued on Page 11

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 11 of 20
Oshawa PUC Networks Inc.	1800157	2006-12-31	DOLLARS ONLY

Capital Tax Calculation *continued from Page 10*

SECTION C

This section applies if the corporation is **not** a member of an associated group and/or partnership.

C1. If 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

C2. If Taxable Capital in 470 is **equal to or less than the TCD** in 503, enter NIL in 550 on page 12 and complete the return from that point.

C3. If Taxable Capital in 470 **exceeds the TCD** in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.

\+ From 470 _____.
− From 503 _____.
= 471 _____. x From 30 100.0000 % (Ontario Allocation) x From 516 0.3000 % (Capital Tax Rate) x 555 365 / 365 (366 if leap year) (Days in taxation year) *If floating taxation year, refer to Guide.* = + 523 _____.
Transfer to 543 on page 12 and complete the return from that point

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. [ ] 509 (X if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada.

If Taxable Capital 470 on page 10 is equal to or less than the TCD 503 on page 10, enter NIL in 550 on page 12 and complete the return from that point.

If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to **Section E**, enter the TCD amount in 542 in Section E, and complete Section E and the return from that point.

D2. [X] 524 (X if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

D2. Calculation is on next page

continued on Page 12

Capital Tax Calculation *continued from Page 11*

DOLLARS ONLY

D2. Calculation Do **not** complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 + From 470 •

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
			+ 531 •
			+ 532 •
			+ 533 •

Aggregate Taxable Capital 470 + 531 + 532 + 533, etc. = 540 •

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in 523 in section E below, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E below.

From 470 • ÷ From 540 • x From 503 • = 541 •

Transfer to 542 *in Section E below*

Ss.69(2.1) Election Filed

X 591 (X if applicable) **Election filed.** *Attach a copy of Schedule 591 with this CT23 Return.* Proceed to **Section F** below.

SECTION E

This section applies if the corporation **is** a member of an associated group and/or partnership whose total **aggregate** Taxable Capital 540 above, exceeds the TCD 503 on page 10.

Complete the following calculation and transfer the amount from 523 to 543, and complete the return from that point.

\+ From 470 •
− 542 •
= 471 • x From 30 100.0000 % (Ontario Allocation) x From 516 0.3000 % (Capital Tax Rate) x 555 365 (Days in taxation year) * 365 (366 if leap year) = + 523 • **Total Capital Tax for the taxation year**

Transfer to 543 *and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

\+ From 470 87,835,454 • x From 30 100.0000 % (Ontario Allocation) x From 516 0.3000 % (Capital Tax Rate) = + 561 263,506 •

− Capital tax deduction from 995 relating to **your corporation's** Capital Tax deduction, on Schedule 591 − From 995 23,019 •

= 562 240,487 •

Total Capital Tax for the taxation year

Capital Tax 562 240,487 • x 555 365 (Days in taxation year) * 365 (366 if leap year) = 563 240,487 •

Transfer to 543 *and complete the return from that point*

* *If floating taxation year, refer to Guide.*

Capital Tax before application of specified credits = 543 240,487 •

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* − 546 •

Capital Tax 543 − 546 *(amount cannot be negative)* = 550 240,487 •

Transfer to Page 17

continued on Page 13

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	DOLLARS ONLY
Oshawa PUC Networks Inc.	1800157	2006-12-31	

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

1.1 Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in 550 on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)

565 _____ x 567 _____ % x From 30 100.0000 % x 555 365 / 365 (366 if leap year) = + 569 _____

565: Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1

567: Capital Tax Rate (1) *(Refer to Guide)*

30: Ontario Allocation

555: Days in taxation year

570 _____ x 571 _____ % x From 30 100.0000 % x 555 365 / 365 (366 if leap year) = + 574 _____

570: Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount

571: Capital Tax Rate (2) *(Refer to Guide)*

30: Ontario Allocation

555: Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section 2) 569 + 574 = 575 _____

** If floating taxation year, refer to Guide.*

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments – 585 _____

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) [ ] Yes

Capital Tax - Financial Institutions 575 – 585 = 586 _____

Transfer to 543 on Page 12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements 587 _____ x 2 % = 588 _____

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588.)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* – 589 _____

Premium Tax 588 – 589 = 590 _____

Transfer to page 17

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1 ± 600 6,600,406
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	2,937,236
Federal cumulative eligible capital deduction	+ 602	
Ontario taxable capital gain	+ 603	
Federal non-allowable reserves. Balance beginning of year	+ 604	8,387,075
Federal allowable reserves. Balance end of year	+ 605	
Ontario non-allowable reserves. Balance end of year	+ 606	8,608,000
Ontario allowable reserves. Balance beginning of year	+ 607	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	
Federal resource allowance *(Refer to Guide)*	+ 609	
Federal depletion allowance	+ 610	
Federal foreign exploration and development expenses	+ 611	
Crown charges, royalties, rentals, etc. deducted for Federal purposes *(Refer to Guide)*	+ 617	

Management fees, rents, royalties and similar payments to non-arms' length non-residents ▼

Number of Days in Taxation Year

612 _____ x 5 / 12.5 x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 ÷ Total Days: 73 / 365) =+ 633 _____

612 _____ x 5 / 14 x (Days after Dec. 31, 2003: 34 365 ÷ Total Days: 73 / 365) =+ 634 _____

Total add-back amount for Management fees, etc. 633 + 634 =	+ 613	
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 Schedule 161	+ 615	
Add any negative amount in 473 from Ont. CT23 Schedule 161	+ 616	
Federal allowable business investment loss	+ 620	
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	+ 614	
Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 =	19,932,311 ▶ 640	19,932,311

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	2,937,236
Ontario cumulative eligible capital deduction	+ 651	
Federal taxable capital gain	+ 652	
Ontario non-allowable reserves. Balance beginning of year	+ 653	8,387,075
Ontario allowable reserves. Balance end of year	+ 654	
Federal non-allowable reserves. Balance end of year	+ 655	8,608,000
Federal allowable reserves. Balance beginning of year	+ 656	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	
Ontario depletion allowance	+ 658	
Ontario resource allowance *(Refer to Guide)*	+ 659	
Ontario current cost adjustment *(Attach schedule)*	+ 661	
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	
Subtotal of deductions for this page 650 to 659 + 661 + 675	681	19,932,311

Transfer to Page 15

continued on Page 15

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 15 of 20
Oshawa PUC Networks Inc.	1800157	2006-12-31	DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1 - - - - - - - - - - - - - - - - From ± 600 6,600,406 •

Total of Additions on page 14 - From = 640 19,932,311 •

Sub Total of deductions on page 14 - From = 681 19,932,311 •

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year - - - 662

ONTTI Gross-up deduction calculation:

Gross-up of CCA

From 662 • x 100 / From 30 100.0000 Ontario Allocation − From 662 • = 663

Workplace Child Care Tax Incentive (WCCT)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: 665 • x 30 % x 100 / From 30 100.0000 Ontario allocation = 666

Workplace Accessibility Tax Incentive (WATI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: 667 • x 100 % x 100 / From 30 100.0000 Ontario allocation = 668

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI)
(***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: 670 • x 30 % x 100 / From 30 100.0000 Ontario allocation = 671

Educational Technology Tax Incentive (ETTI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: 672 • x 15 % x 100 / From 30 100.0000 Ontario allocation = 673

Ontario allowable business investment loss - - - - - - - - - - - - - - - - + 678

Ontario Scientific Research Expenses claimed in year in 477 **from Ont. CT23 Schedule 161** + 679

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) - - - - - - - - - + 677

Total of other deductions allowed by Ontario *(Attach schedule)* - - - - - - - - + 664

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 19,932,311 • ▶ 680 19,932,311 •

Net income (loss) for Ontario Purposes 600 + 640 − 680 - - - - - - - - - - - - - - - - - - = 690 6,600,406 •

Transfer to Page 4

Continuity of Losses Carried Forward

DOLLARS ONLY

		Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year		700 (2)	710 (2)	720 (2)	730	740	750
Add:	Current year's losses (7)	701	711	721	731	741	751
	Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal		703	713	723	733	743	753
Subtract:	Utilized during the year to reduce taxable income	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
	Expired during the year	705		725	735	745	
	Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
Subtotal		707	717	727	737	747	757
Balance at End of Year		709 (8)	719	729	739	749	759

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day		Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800	9th preceding taxation year 1998-09-30	817 (9)	860 (9)		850	870
801	8th preceding taxation year 1999-09-30	818 (9)	861 (9)		851	871
802	7th preceding taxation year 2000-09-30	819 (9)	862 (9)		852	872
803	6th preceding taxation year 2001-09-30	820	830	840	853	873
804	5th preceding taxation year 2001-12-31	821	831	841	854	874
805	4th preceding taxation year 2002-12-31	822	832	842	855	875
806	3rd preceding taxation year 2003-12-31	823	833	843	856	876
807	2nd preceding taxation year 2004-12-31	824	834	844	857	877
808	1st preceding taxation year 2005-12-31	825	835	845	858	878
809	Current taxation year 2006-12-31	826	836	846	859	879
Total		829	839	849	869	889

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2006-12-31

DOLLARS ONLY

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance.**
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Predecessor Ontario Corporation's Tax Account No. (MOF)	Taxation Year Ending year month day	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income						
i) 3rd preceding	901	2003-12-31	911	921	931	941
ii) 2nd preceding	902	2004-12-31	912	922	932	942
iii) 1st preceding	903	2005-12-31	913	923	933	943
Total loss to be carried back			From 706	From 716	From 726	From 736
Balance of loss available for carry-forward			919	929	939	949

Summary

Income Tax	From 230 or 320		924,057
Corporate Minimum Tax	From 280		
Capital Tax	From 550		240,487
Premium Tax	From 590		
Total Tax Payable	=	950	1,164,544
Subtract: Payments	–	960	978,290
Capital Gains Refund (s.48)	–	965	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	–	985	
Specified Tax Credits *(Refer to Guide)*	–	955	
Other, specify	–		
Balance	=	970	186,254
If payment due	Enclosed *	990	186,254
If overpayment: Refund *(Refer to Guide)*	=	975	
Apply to (year month day)		980	*(Includes credit interest)*

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name *(please print)*

Michael Chase

Title

Controller

Full Residence Address

Signature

Date

2007-06-28

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Attached Schedule with Total

Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations

Title Non-deductible reserves

Description	Amount
Employee future benefits	8,176,000 00
Employee sick leave benefits	197,000 00
Deferred Income	235,000 00
Total	8,608,000 00

Attached Schedule with Total

Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)

Title UCC vs NBV

Description	Amount
UCC per Ont Sch. 8	62,511,709 00
NBV per F/S	-45,493,000 00
less: land	294,000 00
less: ARO	
less: Capitalized Interest	1,017,792 00
Cumulative amount of financing fees for accounting	-38,391 00
20(1)(e) finance costs - cumulative amount for tax	35,669 00
Total	18,327,779 00

Attached Schedule with Total

Loans and advances to unrelated corporations

Title Loans and advances to unrelated corporations

Description	Amount
Customer Deposits	3,000 00
Prepaid Expenses	340,347 00
Total	343,347 00

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2006-12-31

Part 1: Calculation of CMT Base

Banks – Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Life Insurance corporations – Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net Income/Loss (unconsolidated, determined in accordance with GAAP)			± 2100	3,849,000
Subtract (to the extent reflected in net income/loss):				
Provision for recovery of income taxes / benefit of current income taxes	+ 2101			
Provision for deferred income taxes (credits) / benefit of future income taxes	+ 2102			
Equity income from corporations	+ 2103			
Share of partnership(s)/joint venture(s) income	+ 2104			
Dividends received/receivable deductible under fed.s.112	+ 2105			
Dividends received/receivable deductible under fed.s.113	+ 2106			
Dividends received/receivable deductible under fed.s.83(2)	+ 2107			
Dividends received/receivable deductible under fed.s.138(6)	+ 2108			
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1)	x 3 + 2109			
Subtotal	=		– 2110	
Add (to extent reflected in net income/loss):				
Provision for current taxes / cost of current income taxes	+ 2111	2,125,000		
Provision for deferred income taxes (debits) / cost of future income taxes	+ 2112			
Equity losses from corporations	+ 2113			
Share of partnership(s)/joint venture(s) losses	+ 2114			
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+ 2115			
Subtotal	=	2,125,000	+ 2116	2,125,000
Add/Subtract:				
Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years				
** Fed.s.85	+ 2117		or – 2118	
** Fed.s.85.1	+ 2119		or – 2120	
** Fed.s.97	+ 2121		or – 2122	
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	+ 2123		or – 2124	
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	+ 2125		or – 2126	
** Amounts relating to s.57.10 election/regulations for replacement re fed.s13(4), 14(6) and 44 for current/prior years	+ 2127		or – 2128	
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income			– 2150	
Capital gains on eligible donations of publicly-listed securities and ecologically sensitive land made after May 1, 2006 (to the extent reflected in net income/loss)			– 2155	
Subtotal (Additions)	=			+ 2129
Subtotal (Subtractions)	=			– 2130
** Other adjustments				± 2131
Subtotal ± 2100 – 2110 + 2116 + 2129 – 2130 ± 2131				= 2132 5,974,000
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss				± 2133
Adjusted net income (loss) (if loss, transfer to 2202 in ***Part 2: Continuity of CMT Losses Carried Forward.***)				= 2134 5,974,000
Deduct: * CMT losses: pre-1994 Loss	+ From 2210			
* CMT losses: other eligible losses	+ 2211			
	=		– 2135	
CMT Base				= 2136 5,974,000

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this schedule.*

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

Corporate Minimum Tax (CMT)

CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2006-12-31

Part 2: Continuity of CMT Losses Carried Forward

Balance at Beginning of year NOTES (1), (2)				+ 2201	
Add:	Current year's losses	+ 2202			
	Losses from predecessor corporations on amalgamation NOTE (3)	+ 2203			
	Losses from predecessor corporations on wind-up NOTE (3)	+ 2204			
	Amalgamation (X) 2205 ☐ Yes Wind-up (X) 2206 ☐ Yes				
Subtotal		=	▶	+ 2207	
Adjustments (attach schedule)				± 2208	
CMT losses available	2201 + 2207 ± 2208			= 2209	
Subtract:	Pre-1994 loss utilized during the year to reduce adjusted net income	+ 2210			
	Other eligible losses utilized during the year to reduce adjusted net income NOTE (4)	+ 2211			
	Losses expired during the year	+ 2212			
Subtotal		=	▶	− 2213	
Balances at End of Year NOTE (5)	2209 − 2213			= 2214	

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2134 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1998-09-30	2260	2280
2241	8th preceding taxation year 1999-09-30	2261	2281
2242	7th preceding taxation year 2000-09-30	2262	2282
2243	6th preceding taxation year 2001-09-30	2263	2283
2244	5th preceding taxation year 2001-12-31	2264	2284
2245	4th preceding taxation year 2002-12-31	2265	2285
2246	3rd preceding taxation year 2003-12-31	2266	2286
2247	2nd preceding taxation year 2004-12-31	2267	2287
2248	1st preceding taxation year 2005-12-31	2268	2288
2249	Current taxation year 2006-12-31	2269	2289
Totals		2270	2290

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214.

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2006-12-31

Part 4: Continuity of CMT Credit Carryovers

Balance at Beginning of year NOTE (1) . . . . . + 2301

Add: Current year's CMT Credit (280 on page 8 of the CT23 or 347 on page 6 of the CT8. If negative, enter NIL) + From 280 or 347

Gross Special Additional Tax NOTE (2) 312 on page 5 of CT8. (Life Insurance corporations only. Others enter NIL.) . . . . . + From 312

Subtract Income Tax (190 on page 6 of the CT23 or page 4 of the CT8) . . . . . – From 190

Subtotal (If negative, enter NIL) . . . = ▶ – 2305

Current year's CMT credit (If negative, enter NIL) 280 or 347 – 2305 . . . = ▶ + 2310

CMT Credit Carryovers from predecessor corporations NOTE (3) . . . . . + 2325

Amalgamation (X) 2315 ☐ Yes Wind-up (X) 2320 ☐ Yes

Subtotal 2301 + 2310 + 2325 . . . . . = 2330

Adjustments *(Attach schedule)* . . . . . ± 2332

CMT Credit Carryover available 2330 ± 2332 . . . . . = 2333

Transfer to Page 8 of the CT23 or Page 6 of the CT8

Subtract: CMT Credit utilized during the year to reduce income tax (310 on page 8 of the CT23 or 351 on page 6 of the CT8.) + From 310 or 351

CMT Credit expired during the year . . . . . + 2334

Subtotal . . . . . = ▶ – 2335

Balance at End of Year NOTE (4) 2333 – 2335 . . . . . = 2336

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).

(3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(4) Amount in 2336 must equal sum of 2370 + 2390.

Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	9th preceding taxation year 1998-09-30	2360	2380
2341	8th preceding taxation year 1999-09-30	2361	2381
2342	7th preceding taxation year 2000-09-30	2362	2382
2343	6th preceding taxation year 2001-09-30	2363	2383
2344	5th preceding taxation year 2001-12-31	2364	2384
2345	4th preceding taxation year 2002-12-31	2365	2385
2346	3rd preceding taxation year 2003-12-31	2366	2386
2347	2nd preceding taxation year 2004-12-31	2367	2387
2348	1st preceding taxation year 2005-12-31	2368	2388
2349	Current taxation year 2006-12-31	2369	2389
Totals		2370	2390

The sum of amounts 2370 + 2390 ***must equal amount in*** 2336.

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2006-12-31

CMT Losses Carried Forward Workchart

(i) Continuity of Pre-1994 CMT Losses

	Corporation's Pre-1994 Loss	Predecessors' Pre-1994 Loss Amalgamation	Predecessors' Pre-1994 Loss Wind-Up
Date of the last tax year end before the corp's 1st tax year commencing after 1993			
Pre-1994 Loss (per schedule)			
Less: Claimed in prior taxation years commencing after 1993			
Pre-1994 Loss available for the current year			
Less: Deducted in the current year (max. = adj. net income for the year)			
Expired after 10 years			
Pre-1994 Loss Carryforward			

(ii) Continuity of Other Eligible CMT Losses – Filing Corporation (for losses occurring in tax years commencing after 1993)

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1997-09-30					
9th Prior Year	1998-09-30					
8th Prior Year	1999-09-30					
7th Prior Year	2000-09-30					
6th Prior Year	2001-09-30					
5th Prior Year	2001-12-31					
4th Prior Year	2002-12-31					
3rd Prior Year	2003-12-31					
2nd Prior Year	2004-12-31					
1st Prior Year	2005-12-31					
	Total					

Predecessor Corporations Only – Amalgamation

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name		Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	PILs	1800157	2006-12-31

CMT Losses Carried Forward Workchart (continued)

Predecessor Corporations Only – Wind-Up

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name		Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	PILs	1800157	2006-12-31

CMT Credit Carryovers Workchart

Filing Corporation

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1997-09-30					
9th Prior Year	1998-09-30					
8th Prior Year	1999-09-30					
7th Prior Year	2000-09-30					
6th Prior Year	2001-09-30					
5th Prior Year	2001-12-31					
4th Prior Year	2002-12-31					
3rd Prior Year	2003-12-31					
2nd Prior Year	2004-12-31					
1st Prior Year	2005-12-31					
	Total					

Predecessor Corporations Only – Amalgamation

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
Total						

Predecessor Corporations Only – Wind-Up

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
2005-12-31						
Total						

Ontario **Ministry of Finance**
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2006-12-31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

Due to City of Oshawa	+	23,064,000
Customer Deposits	+	3,456,382
Other (Development Fund)	+	351,167
Deferred revenue	+	7,192
LT Debt - TD Bank	+	7,000,000
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
Total *Transfer to* 353 *of the CT23*	=	33,878,741

Ontario **Ministry of Finance**
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33 King Street West
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Oshawa ON L1H 8E9

Ontario Capital Cost Allowance
Schedule 8

Corporation's Legal Name		Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	PILs	1800157	2006-12-31

Is the corporation electing under regulation 1101(5q)? 1 [ ] Yes 2 [X] No

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	56,983,957	2,376,712	-67,603	0	59,293,066	1,188,356	58,104,710	4	0	0	2,324,188	56,968,878
8	581,559	166,946		0	748,505	83,473	665,032	20	0	0	133,006	615,499
10	987,996			64,000	923,996		923,996	30	0	0	277,199	646,797
42	73,276			0	73,276		73,276	12	0	0	8,793	64,483
12	29,325	22,555		0	51,880	11,278	40,602	100	0	0	40,602	11,278
13	6,881			0	6,881		6,881	N/A	0	0	6,881	
13	3,637			0	3,637		3,637	N/A	0	0	2,424	1,213
45	256,932	126,772		0	383,704	63,386	320,318	45	0	0	144,143	239,561
98	2,654,000	1,310,000		0	3,964,000	655,000	3,309,000	0	0	0		3,964,000
Totals	61,577,563	4,002,985	-67,603	64,000	65,448,945	2,001,493	63,447,452				2,937,236	62,511,704

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Enter in boxes 650 . . . . 650 . . . . 650 on the CT23.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Ontario **Ministry of Finance**
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Ontario Continuity of Reserves Schedule 13

Corporation's Legal Name		Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	PILs	1800157	2006-12-31

For use by a corporation to provide a continuity of all reserves claimed which are allowed for tax purposes.

Part 1 – Capital gains reserves

	Description of property	Ontario balance at the beginning of the year $	Transfer on amalgamation or wind-up of subsidiary $	Add	Deduct	Ontario balance at the end of the year $
1						
	Totals	**A**	**B**			**C**

The total capital gains reserve at the beginning of the taxation year **A** plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary **B**, should be entered on Schedule 6; and the total capital gains reserve at the end of the taxation year **C**, should also be entered on Schedule 6.

Part 2 – Other reserves

Description	Ontario balance at the beginning of the year $	Transfer on amalgamation or wind-up of subsidiary $	Add	Deduct	Ontario balance at the end of the year $
Reserve for doubtful debts					
Reserve for undelivered goods and services not rendered					
Reserve for prepaid rent					
Reserve for December 31, 1995 income					
Reserve for refundable containers					
Reserve for unpaid amounts					
Other tax reserves					
Totals	**D**	**E**			**F**

The amount from **D** plus the amount from **E** should be entered in 607 of the CT23.
The amount from **F** should be entered in 654 of the CT23.

Part 3 – Continuity of non-deductible reserves

Reserve	Ontario opening balance	Transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
Employee future benefits	7,797,170		378,830			8,176,000
Employee sick leave benefits	244,905			47,905		197,000
Deferred Income	345,000			110,000		235,000
Reserves from Part 2						
Totals	8,387,075		378,830	157,905		8,608,000

Enter in box 653 *of the CT23* — *Enter in box* 606 *of the CT23*

Ontario **Ministry of Finance**
Corporations Tax
33 King Street West
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2006 Capital Tax Election of Associated Group Agreement for Allocation of Taxable Capital Deduction (TCD)

CT23 SCHEDULE 591

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2006-12-31

The following associated group of corporations includes all the corporations in this associated group (excluding financial institutions and corporations exempt from capital tax) having a permanent establishment in Canada and are hereby making an election under subsection 69(2.1) of the *Corporation Tax Act* to allocate the tax effect of the group's taxable capital deduction (TCD) as calculated in section B on page 10 of the CT23 for all taxation years which end in the 2006 calendar year, based on each corporation's total assets and Ontario allocation factor from each corporation's last taxation year ending in the 2005 calendar year.

Applies to taxation years ending in the 2006 calendar year.

Corporation having a permanent establishment in Canada	Last taxation year ending in 2005 calendar year	Ontario Allocation **A**	Total Assets **T**	Net Deduction **A x [TE x (T÷X)] ND**	Allocation of Net Deduction **AND**
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
1800157	2005-12-31	100.0000	92,089,000	30,000	23,019
Corporation Name					
Oshawa PUC Networks Inc. PILs					
Tax Effect (TE) of Taxable Capital Deduction					
TCD From CT23, Page 10, Section B 503	10,000,000 x 0.3 % = **TE**	30,000			
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
1800156	2005-12-31				1,461
Corporation Name					
OSHAWA POWER AND UTILITIES CORPORATION					
Tax Effect (TE) of Taxable Capital Deduction					
TCD From CT23, Page 10, Section B 503	10,000,000 x 0.3 % = **TE**	30,000			
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
8114793	2005-12-31				1,782
Corporation Name					
OSHAWA PUC ENERGY SERVICES INC.					
Tax Effect (TE) of Taxable Capital Deduction					
TCD From CT23, Page 10, Section B 503	10,000,000 x 0.3 % = **TE**	30,000			
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
8114781	2005-12-31				3,738
Corporation Name					
OSHAWA PUC SERVICES INC.					
Tax Effect (TE) of Taxable Capital Deduction					
TCD From CT23, Page 10, Section B 503	10,000,000 x 0.3 % = **TE**	30,000			
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
Corporation Name					
Tax Effect (TE) of Taxable Capital Deduction					
TCD From CT23, Page 10, Section B 503	x % = **TE**				

If insufficient space, attach list.

Total Assets of Associated Group having permanent establishments in Canada **X** 92,089,000 959

Total Net Deductions of Associated Group having permanent establishments in Canada . . . **TND** 30,000 994

Total Allocated Net Deductions of Associated Group having permanent establishments in Canada . . . . . **TAND** 30,000

Financial Statements

Oshawa PUC Networks Inc.

December 31, 2006

AUDITORS' REPORT

To the Shareholder of
Oshawa PUC Networks Inc.

We have audited the balance sheet of **Oshawa PUC Networks Inc.** as at December 31, 2006 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Toronto, Canada,
March 27, 2007.

Chartered Accountants
Licensed Public Accountants

Oshawa PUC Networks Inc.

BALANCE SHEET

[in thousands of dollars]

As at December 31

	2006 $	2005 $
ASSETS		
Current		
Cash and cash equivalents [including customer deposits [2006 - $3,456; 2005 - $3,790]	**12,880**	14,883
Restricted cash	**—**	7,000
Treasury bill - Government of Canada 4.10% *[note 17]*	**5,901**	6,001
Accounts receivable	**8,207**	4,230
Unbilled revenue	**7,903**	9,330
Due from affiliates *[note 14]*	**—**	644
Inventory	**743**	590
Prepaid expenses	**412**	285
Current portion of regulatory assets *[note 4]*	**1,384**	1,136
Total current assets	**37,430**	44,099
Property, plant and equipment, net *[note 3]*	**45,493**	44,757
Regulatory assets, net *[note 4]*	**1,607**	3,191
Other assets *[note 5]*	**41**	42
Total non-current assets	**47,141**	47,990
	84,571	92,089
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current		
Accounts payable - IESO *[note 18]*	**7,130**	9,300
Accounts payable and accrued liabilities	**5,233**	6,004
Payments in lieu of corporate income taxes	**293**	345
Advance payments	**1,974**	1,697
Deferred revenue *[note 19]*	**235**	345
Current portion of regulatory liabilities *[note 4]*	**—**	590
Current portion of long-term liabilities *[note 6]*	**794**	1,306
Total current liabilities	**15,659**	19,587
Note payable to shareholder *[note 11]*	**23,064**	23,064
Long-term debt *[note 12]*	**7,000**	7,000
Customers' advance deposits	**3,097**	2,865
Deferred revenue	**11**	24
Post-employment non-pension benefits *[note 10]*	**8,176**	7,797
Regulatory liabilities *[note 4]*	**121**	21
Employee sick leave benefits *[note 7]*	**128**	229
Total long-term liabilities	**41,597**	41,000
Total liabilities	**57,256**	60,587
Shareholder's equity		
Capital stock *[note 13]*	**23,064**	23,064
Retained earnings	**4,251**	8,438
Total shareholder's equity	**27,315**	31,502
	84,571	92,089

Contingencies and commitments *[notes 15 and 16]*

See accompanying notes

Oshawa PUC Networks Inc.

STATEMENT OF INCOME AND RETAINED EARNINGS

[in thousands of dollars]

Year ended December 31

	2006 $	2005 $
REVENUE		
Sale of electrical energy	**92,454**	122,729
Cost of electrical energy	**74,541**	105,316
Net revenue from sale of electrical energy	**17,913**	17,413
Other revenue	**1,240**	712
Net revenue	**19,153**	18,125
EXPENSES		
Operations, maintenance and administrative	**13,024**	12,718
Less amount allocated to property, plant and equipment and billable jobs	**(4,464)**	(4,182)
Net operations, maintenance and administrative expenses	**8,560**	8,536
Income before the following	**10,593**	9,589
Depreciation	**(3,659)**	(3,545)
Gain on disposal of property, plant and equipment	**48**	35
Interest income	**775**	498
Interest improvement on regulatory accounts	**160**	390
Interest expense *[note 11]*	**(1,943)**	(1,534)
Income before payments in lieu of corporate income taxes	**5,974**	5,433
Provision for payments in lieu of corporate income taxes *[note 8]*	**2,125**	2,330
Net income for the year	**3,849**	3,103
Retained earnings, beginning of year	**8,438**	6,055
Dividends paid *[note 13]*	**(8,036)**	(720)
Retained earnings, end of year	**4,251**	8,438

See accompanying notes

Oshawa PUC Networks Inc.

STATEMENT OF CASH FLOWS

[in thousands of dollars]

Year ended December 31

	2006 $	2005 $
OPERATING ACTIVITIES		
Net income for the year	**3,849**	3,103
Add (deduct) items not involving cash		
Depreciation	**3,659**	3,545
Gain on disposal of property, plant and equipment	**(48)**	(35)
Regulatory assets	**1,336**	(787)
Other assets	**1**	(42)
Regulatory liabilities	**(490)**	611
Employee sick leave benefits	**(48)**	(30)
Advance payments	**277**	(445)
Deferred revenue	**(110)**	345
Post-employment health benefits	**379**	353
	8,805	6,618
Changes in non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable	**(3,977)**	2,481
Decrease (increase) in unbilled revenue	**1,427**	(1,074)
Decrease (increase) in due from affiliates	**644**	(154)
Increase in inventory	**(153)**	(147)
Increase in prepaid expenses	**(127)**	(76)
Increase (decrease) in accounts payable - IESO	**(2,170)**	3,618
Increase (decrease) in accounts payable and accrued liabilities	**(771)**	1,693
Decrease in provision for environmental costs	**—**	(100)
Decrease in payments in lieu of corporate income taxes	**(52)**	(284)
Increase (decrease) in deferred revenue	**(13)**	24
Cash provided by operating activities	**3,613**	12,599
INVESTING ACTIVITIES		
Additions to property, plant and equipment, net	**(10,773)**	(11,444)
Contributions in aid of construction	**6,362**	5,300
Proceeds from disposal of property, plant and equipment	**64**	35
Treasury bill - Government of Canada 4.10%	**100**	(1)
Decrease in upstream capital improvement funds	**—**	(706)
Cash used in investing activities	**(4,247)**	(6,816)
FINANCING ACTIVITIES		
Dividends paid	**(8,036)**	(720)
Decrease in customers' advance deposits	**(333)**	(755)
Increase in long-term debt	**—**	7,000
Cash provided by (used in) financing activities	**(8,369)**	5,525
Net increase (decrease) in cash and cash equivalents during the year	**(9,003)**	11,308
Cash and cash equivalents, beginning of year	**21,883**	10,575
Cash and cash equivalents, end of year	**12,880**	21,883
Supplemental cash flow information		
Interest paid [prior to capitalization of interest]	**1,678**	1,672
Payments in lieu of corporate income taxes	**2,330**	2,233

See accompanying notes

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

1. INCORPORATION

Oshawa PUC Networks Inc. (the "Corporation") was incorporated under the *Ontario Business Corporations Act* (Ontario) on October 18, 2000. The incorporation was required in accordance with the provincial government's *Electricity Act, 1998*. The Corporation operates in one business segment, providing electricity distribution services to businesses and residences in the service area of Oshawa, Ontario.

The Corporation is a wholly-owned subsidiary of Oshawa Power and Utilities Corporation, which is wholly owned by the Corporation of the City of Oshawa.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Corporation's financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"), including accounting principles prescribed by the Ontario Energy Board (the "OEB") in the handbook "Accounting Procedures Handbook for Electric Distribution Utilities" ("AP Handbook"), and reflect the significant accounting policies summarized below:

Rate setting and regulation

The *Energy Competition Act, 1998* (the "Act") was given Royal Assent on October 30, 1998. The Act provides for a competitive market in the sale of electricity and the regulation of the monopoly electricity delivery system in the Province of Ontario (the "Province") by the OEB. On May 1, 2002, the competitive market opened in Ontario.

The OEB has regulatory oversight of electricity matters in the Province. The *Ontario Energy Board Act, 1998* sets out the OEB's powers to issue a distribution licence which must be obtained by any person owning or operating a distribution system under the *Ontario Energy Board Act, 1998*. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

On May 11, 2006, for rates effective May 2006, the OEB approved the Corporation filed Rate Application EDR 2006 by issuing a Decision and Order. In the Decision and Order, the distribution rates increased by 1.0% for Residential and Commercial customer classes. Industrial class customers generally reflected decreases of between 1% and 9%. The recovery of regulatory assets, for balances as at December 31, 2004, was approved in the EDR Decision and Order. The recovery of these balances is expected to be collected over a three-year period. In February 2007, the Corporation filed a Rate Application to the OEB for rates effective May 1, 2007. The decision is not expected until April 2007.

Revenue includes regulated distribution income for the Corporation and the flow-through revenue that is collected on behalf of others. The flow-through revenue includes cost of electricity, transmission and wholesale charges. Due to a decline in the wholesale cost of electricity in 2006, the total revenue including flow-through revenue has decreased by $30,275.

In order to achieve a proper matching of revenue and expenses, the timing of recognition of certain revenue and expenses for the distribution of electricity may differ from that otherwise expected under Canadian GAAP. The following regulatory treatments have resulted in accounting treatments which differ from Canadian GAAP for enterprises operating in a non-regulated environment:

[a] Regulatory assets and liabilities

Certain costs and variance account balances are deemed to be "regulatory assets" or "regulatory liabilities" and are reflected in the Local Distribution Company's ("LDC") balance sheet until the manner and timing of disposition is determined by the OEB *[note 4]*.

The principal regulatory assets and liabilities of the Corporation are comprised of the following:

[i] Retail settlement variances: The Corporation has recognized settlement variances for the period from January 1, 2005 to December 31, 2006 in accordance with criteria set out in the AP Handbook. Specifically, these amounts include variances between the amounts charged by the Independent Electricity System Operator ("IESO") for the operation of the markets and the grid, as well as various wholesale market settlement charges and transmission charges as compared to the amount billed to consumers based on the OEB approved wholesale market service rates. Under such regulation, the variances are allowed to be deferred, which would be recorded as revenue when incurred under Canadian GAAP. The deferred balance for settlement variances yet to be approved by the regulator continues to be calculated and attract carrying charges in accordance with the OEB's direction.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

[ii] Regulatory Asset Recovery Account ("RARA"): Effective May 2006, the setup of RARA was approved by the OEB. Included in RARA are retail settlement variances, pre-market opening energy variances, qualifying transition costs and carrying charges, less recoveries accumulated to April 30, 2006. Permission was granted by the OEB to include a regulatory rate rider, which is charged to each customer class effective May 1, 2006, for the collection of RARA balances over three years.

[iii] Capitalized interest: The Corporation has capitalized interest on the regulatory assets and also the deferred payments in lieu of corporate income taxes ("PILs") in the rate base, as prescribed by the OEB.

[iv] In accordance with Bill 100, the IESO implemented a price adjustment mechanism called "Global Adjustment" which represents a difference between the spot price charged by the IESO to various market participants, including the Corporation, and the blended price paid by the IESO under the various contracts with electricity generators/suppliers.

The Global Adjustment came into effect January 1, 2005 and in accordance with Bill 100, the IESO calculates a "preliminary" difference in terms of $/kWh at the beginning of each month to be credited or charged back by the distribution companies, such as the Corporation, to their various customers other than low volume designated customers. The difference between these amounts credited or charged back by the distribution companies and the "final" amounts credited or billed by the IESO is to be tracked in a variance account which is currently reflected in the financial statements as a part of regulatory liabilities.

[b] Payments in lieu of corporate income taxes

The Corporation provides for PILs using the taxes payable method for its regulated activities as permitted by The Canadian Institute of Chartered Accountants ("CICA") and the OEB.

Inventory

Inventory, which consists of parts and supplies acquired for internal maintenance or construction, is valued at the lower of cost and replacement cost, with cost being determined on a weighted average basis.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

Property, plant and equipment

Property, plant and equipment purchased or constructed by the Corporation are stated at historic cost and include contracted services, material, labour, engineering costs and overhead. Furthermore, constructed property, plant and equipment include deemed interest during the period of construction.

Property, plant and equipment also include the cost of certain capital assets partially funded by developers as a contribution in aid of construction to the Corporation. The OEB requires that such contributions, whether in cash or in-kind, be offset against the related asset cost.

When identifiable capital assets are retired or otherwise disposed of, their original cost and accumulated depreciation are removed from the accounts and the related gain or loss is included in the determination of income or loss for the year. Repairs and maintenance expenditures are charged to operations as incurred.

Depreciation is provided on a straight-line basis over estimated service lives as follows:

Buildings	1.67% - 3.33%
Transmission, distribution system and meters	2.86% - 4%
Equipment and furniture	10%
Computer hardware	20%
Vehicle fleet	12.5% - 20%

Construction in progress comprises capital assets under construction, capital assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed. These assets are not depreciated until placed into service.

Customers' advance deposits

Customers' advance deposits represent cash collections from customers that are available to offset the payment of energy bills or other services. Customers may be required to post security to obtain electricity or other services. Where the security posted is in the form of securities, these amounts are recorded in the accounts as securities held in respect of customer deposits. Interest is paid on customer balances at rates established by the Corporation in accordance with OEB guidelines. Deposits expected to be refunded to customers within the next fiscal year are classified as a current liability.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

Pension and other post-employment benefits

The Corporation accounts for its participation in the Ontario Municipal Employees Retirement Fund ("OMERS"), a multi-employer public sector pension fund, as a defined benefit plan. Both participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Corporation recognizes the expense related to this plan as contributions are due.

Employee future benefits, other than pensions provided by the Corporation through OMERS, include supplemental health insurance, dental and life insurance. These plans provide benefits to retired employees, their spouses and surviving spouses when they are no longer providing active service.

Employee future benefits expense is recognized in the period in which the employees render services.

Employee future benefits other than pensions are recorded on an accrual basis. The Corporation actuarially determines the cost of post-employment benefits offered to employees and retirees including their spouses and surviving spouses using the projected benefit method, pro rated on service and based on management's best estimate assumptions. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the employee's years of service in the attribution period commencing at date of hire, and ending at the earliest age the employee could retire and qualify for benefits.

The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered during the period. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. The excess of the net actuarial gains (losses) over 10% of the accrued benefit obligation is amortized as an expense on a straight-line basis over the average remaining service period of active employees to full eligibility. The effect of a curtailment (reduction in post-employment benefits) gain or loss is recognized in the period of the event giving rise to the curtailment as a charge or credit to operations. The effect of a settlement (post-employment benefits) gain or loss is recognized in the period in which a settlement occurs.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank deposits, or equivalent financial instruments, with maturities upon issue of less than 90 days.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

Hedging relationships

The Corporation's policy is to formally designate each derivative financial instrument as a hedge of a specifically identified debt instrument and document relationships between hedging instruments and associated hedged items. The documentation includes: identification of the specific asset, liability or forecasted transaction being hedged; the nature of the risk being hedged; the hedge objective; the method of assessing hedge effectiveness; and the method of accounting for the hedging relationship. Hedge effectiveness is formally assessed, both at the inception and on an ongoing basis, to determine whether the derivative used in hedging transactions is highly effective in offsetting changes in the interest rate risk of the hedged item. Hedge accounting is applied only if there is reasonable assurance that the hedging relationship will be effective.

The Corporation enters into interest rate swaps in order to reduce the impact of fluctuating interest rates on its long-term debt. These swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. The Corporation does not enter into derivatives for speculative purposes. The Corporation designates its interest rate hedge agreements as hedges of the underlying debt. Interest expense on the debt is adjusted to include the payments made or received under the interest rate swaps and, accordingly, follows hedge accounting.

Investments

Investments consist of a Government of Canada treasury bill amounting to $5,901 (2005 - $6,001). The interest rate on the treasury bill is 4.10% per annum (maturing on November 1, 2007). This treasury bill is pledged to the IESO as collateral support for energy amounts payable to the IESO.

Advance payments

Advance payments consist of both the Equal Payment Plan ("EPP") and Customer Advance Payments.

Deferred debt issue costs

The Corporation defers and amortizes on a straight-line basis costs related to obtaining new financing over the term of the debt.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

Revenue recognition

Revenue from the sale of electrical energy represents actual revenue attributable to the sale and delivery of electricity. Revenue includes an estimate of unbilled revenue, which represents electricity delivered and consumed by customers since the date of each customer's last meter reading.

Other revenue and interest are recognized as services are rendered, projects completed or when interest is earned.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Certain estimates are necessary since the regulatory environment in which the Corporation operates requires amounts to be recorded at estimated values until finalization and adjustment pursuant to subsequent regulatory decisions, or other regulatory proceedings. Due to inherent uncertainty involved in making such estimates, actual results could differ from those estimates, including changes as a result of future decisions made by the OEB, the Minister of Energy or the Minister of Finance.

Corporate income taxes and capital taxes

Under the *Electricity Act, 1998* and effective October 1, 2001, the Corporation is required to make payments in lieu of corporate income taxes and capital taxes to the Ministry of Finance, commencing October 1, 2001. These payments are calculated in accordance with the rules for computing 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 regulations. In theory, payments remitted to Ontario Electricity Financial Corporation are applied against the stranded debt of Ontario Hydro.

The regulated electricity distribution business of the Corporation provides for PILs using the taxes payable method. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

The OEB's Electricity Distribution Rate Handbook provides for the recovery of PILs by local distribution companies through annual distribution rate adjustments as permitted by the OEB.

The method that has been used to set the PILs portion of the Corporation's rates for 2006 is consistent with the approach used in past periods.

Upstream capital improvement funds

Upstream capital improvement funds, collected under the *Development Charges Act, 1997* or predecessor legislation, are earmarked for specific property, plant and equipment related to growth that will occur in the future. Upstream capital improvement fund balances are reduced as expenditures occur.

Asset retirement obligations

The Corporation follows the CICA's Handbook which requires the recording of the fair value of the future expenditures required to settle legal obligations associated with asset retirements. The Corporation has determined that there are asset retirement obligations ["AROs"] associated with some parts of its transmission, distribution and generation systems.

On April 1, 2006, the Corporation retroactively adopted EIC 159, Conditional Asset Retirement Obligations ("EIC 159"). EIC 159 requires an entity to recognize a liability for the fair value of an ARO even though the timing and/or method of settlement are conditional on future events.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	2006			2005		
	Cost $	Accumulated depreciation $	Net book value $	Cost $	Accumulated depreciation $	Net book value $
Transmission and distribution						
Underground distribution	**46,305**	**19,700**	**26,605**	42,745	17,940	24,805
Overhead distribution	**38,274**	**19,177**	**19,097**	33,358	17,965	15,393
Transformers	**15,483**	**11,864**	**3,619**	15,550	11,447	4,103
Station equipment	**10,179**	**6,520**	**3,659**	9,945	6,240	3,705
Meters	**8,130**	**4,519**	**3,611**	7,856	4,273	3,583
Total transmission and distribution	**118,371**	**61,780**	**56,591**	109,454	57,865	51,589
Construction in progress	**3,964**	—	**3,964**	2,654	—	2,654
Vehicle fleet	**3,229**	**2,364**	**865**	3,624	2,618	1,006
Equipment and furniture	**2,971**	**2,470**	**501**	2,804	2,375	429
Computer hardware	**2,063**	**1,899**	**164**	2,007	1,747	260
Buildings	**528**	**268**	**260**	528	259	269
Land	**294**	—	**294**	111	—	111
Property, plant and equipment before contributions in aid of construction	**131,420**	**68,781**	**62,639**	121,182	64,864	56,318
Contributions in aid of construction from developers and others	**(19,425)**	**(2,279)**	**(17,146)**	(13,063)	(1,502)	(11,561)
	111,995	**66,502**	**45,493**	108,119	63,362	44,757

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

4. REGULATORY ASSETS AND LIABILITIES

Regulatory assets (liabilities) consist of the following:

	2006			2005
	Total regulatory assets $	Current $	Non-current $	Total $
Regulatory assets				
Regulatory Asset Recovery Account	**1,893**	**1,173**	**720**	3,804
Retail settlement variances	**656**	—	**656**	409
Global Adjustment variance	**211**	**211**	—	—
Regulatory accrued interest	**231**	—	**231**	114
Net regulatory assets	**2,991**	**1,384**	**1,607**	4,327
Less current portion	**1,384**	**1,384**	—	1,136
Net long-term regulatory assets recognized	**1,607**	—	**1,607**	3,191

	2006 $	2005 $
Regulatory liabilities		
Global Adjustment variance	—	590
Smart Meter Liability	**100**	—
Acsys deferral	**21**	21
Net regulatory liabilities	**121**	611
Less current portion	—	590
Net long-term regulatory liabilities recognized	**121**	21

On May 1, 2006, the Corporation complied with OEB guidelines and established a new account called Regulatory Asset Recovery Account or RARA. The account transfers regulatory asset accounts as of December 31, 2004, the recoveries up to April 30, 2006 and carrying charges as of April 30, 2006. Only balances as approved by the OEB in its 2006 EDR Decision and Order can be applied to the account. RARA includes recoveries since May 1, 2006, based on approved OEB regulatory rate riders.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

The OEB approved distribution rates for PILs recovery based on estimated consumption volumes. The difference between actual billings that relate to the recovery of PILs and the OEB approved PILs amount is tracked by the Corporation as a deferred tax amount in accordance with OEB guidelines for regulatory assets and with the criteria set out in the AP Handbook. The Corporation has recorded a deferred PILs asset in the amount of $1,106 (2005 - $349), which is offset by a deferred PILs liability, as required by the OEB, in an equivalent amount.

5. OTHER ASSETS

Other assets consist of the following:

	2006 $	2005 $
Deferred debt issue costs	**30**	35
Other costs	**8**	—
Securities held as customer deposit	**3**	7
	41	42

6. CURRENT PORTION OF LONG-TERM LIABILITIES

The current portion of long-term liabilities consists of the following:

	2006 $	2005 $
Deferred revenue	**14**	14
Customers' advance deposits	**360**	925
Upstream capital improvement funds *[note 9]*	**351**	351
Employee sick leave benefits *[note 7]*	**69**	16
	794	1,306

7. EMPLOYEE SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees on the regular staff prior to August 1, 1979 may become entitled to cash payments after termination of service, for which they may receive payment for 50% of their unused sick leave credits up to a maximum of six months' pay. During the year, $57 was paid (2005 - $39) towards sick leave credits. The liability recorded in the accounts for these accumulated benefits, to the extent that they have

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

vested, amounted to $197 (2005 - $245). In 2006, the current portion of long-term liabilities for employee sick leave benefits totalled $69, and long-term liability for employee sick leave benefits totalled $128.

8. CORPORATE INCOME TAXES

The provision for PILs differs from the amount that would have been recorded using the combined Canadian federal and Ontario statutory income tax rate. The reconciliation between the statutory and effective tax rates is provided as follows:

Statement of income

	2006 $	2005 $
Income before PILs	**5,974**	5,433
Statutory Canadian federal and Ontario income tax rate	**36.12%**	36.12%
Expected income tax provision at statutory tax rate	**2,158**	1,963
Tax reassessment (2001 and 2002)	**124**	—
Refund on 2005 income tax	**(388)**	—
Other temporary differences:		
Property, plant and equipment	**263**	85
Post-employment non-pension benefits	**137**	127
Deferred revenue	**(53)**	125
Other	**(32)**	30
Cost allocations	**(84)**	—
Provision for PILs	**2,125**	2,330
Effective tax rate	**35.57%**	42.89%
Components of income tax provision		
Current income taxes	**2,125**	2,330
Provision for PILs	**2,125**	2,330

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

Balance sheet

Future income taxes relating to the regulated business have not been recorded in the accounts as they are expected to be recovered through future electricity rate revenue. As at December 31, 2005, future income tax assets are in the amount of approximately $8,000 (2005 - $9,500).

9. UPSTREAM CAPITAL IMPROVEMENT FUNDS

Upstream capital improvement funds represent amounts received from developers for improvements to system capacity.

	2006 $	2005 $
Current portion balance	**351**	351

10. EMPLOYEE BENEFITS

[a] Pension costs

The Corporation makes contributions to OMERS, which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of retirement benefits to be received by the employees based on length of service and rates of pay. Future contributions are dependent upon the results of the OMERS plan as actuarially determined.

The Corporation incurred current service pension costs for the year ended December 31, 2006 of $379 (2005 - $353) as prescribed by OMERS.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

[b] Non-pension retirement (post-employment) benefits

The Corporation provides post-employment benefits, principally supplemental health and dental coverage, for employees who retire from active employment.

	2006 $	2005 $
Change in accrued non-pension benefit obligations		
Accrued benefit obligations, beginning of year	**7,797**	7,444
Net periodic benefit cost accrued	**789**	734
Benefits paid by the Corporation in the year	**(410)**	(381)
Accrued benefit obligations, end of year	**8,176**	7,797
Components of net periodic benefit cost accrual		
Current service cost	**250**	200
Imputed interest cost	**520**	512
Amortization of actuarial gains	**19**	22
Net periodic benefit cost accrued for the year	**789**	734

An actuarial study was completed in 2004 and updated in 2006 to estimate the Corporation's obligations under the non-pension post-employment benefits. The significant actuarial assumptions adopted in measuring the Corporation's accrued non-pension benefit obligations as at December 31 are as follows:

	2006 %	2005 %
Discount rate applied to the calculation of future benefits	**5.25**	6.0
Rate of compound compensation increase used in determining future costs	**3.0**	3.0

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects for 2006:

	Increase $	Decrease $
Total service and interest cost	**135**	**(113)**
Benefit obligations	**1,357**	**(1,097)**

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

11. NOTE PAYABLE

The note payable to the shareholder of $23,064 (2005 - $23,064) bears an interest rate of 7.25% per annum and is due on demand.

The Corporation does not anticipate that the note will be called upon within one year, accordingly, the note remains classified as a long-term liability.

In 2006, the Corporation made interest payments of $1,672 (2005 - $1,672) to the shareholder.

12. DEBT

The Corporation's long-term and short-term borrowing facilities are as follows:

Long-term facilities

The Corporation incurred new debt in 2005 in the amount of $7,000 due in one repayment obligation at maturity in December 2012. This facility was drawn down in December 2005 and structured with a seven-year interest rate swap agreement with the bank, effectively converting the Corporation's obligations to a fixed interest rate, approximately 4.9%. Subject to payment of any unwinding costs or receipt of benefits for unwinding the interest rate swap agreement, the Corporation has the flexibility of pre-paying the debt at its option.

Short-term facilities

The Corporation has an operating line in the maximum amount of $10,000 to assist with its working capital requirements. During 2006, no amounts were drawn under this facility.

The above borrowing facilities are subject to financial tests and other covenants. The principal financial covenants require a consolidated debt to capital ratio of less than or equal to 0.65:1 and a consolidated Interest Coverage Ratio of no less than 1.4. These financial covenants are to be tested quarterly for the Corporation. In addition, these facilities are subject to other customary covenants and events of default, including an event of Cross-Default (for non-payment of other debts) of amounts in excess of $5,000. Non-compliance with such covenants could result in accelerated payment of amounts due under the facilities, and their termination. The Corporation was in compliance with the above-mentioned covenants at December 31, 2006.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2006

13. CAPITAL STOCK

Capital stock consists of the following:

	2006 $	2005 $
Authorized		
Unlimited common shares		
Issued		
1,000 common shares	**23,064**	23,064

14. RELATED PARTY TRANSACTIONS

The Corporation transacts business with the City of Oshawa and its affiliates in the normal course of business at commercial rates. These transactions are summarized below:

	2006 $	2005 $
REVENUE - Electricity sold to the City of Oshawa		
Facilities	**2,467**	1,715
Streetlights	**1,011**	859
	3,478	2,574
Streetlight maintenance and construction services	**1,488**	404
EXPENSES		
Net rent - 100 Simcoe Street	**264**	264
Property taxes	**146**	151
ACCOUNTS RECEIVABLE		
Facilities and Streetlights	**337**	155
Streetlight maintenance and construction services	**224**	36

The Corporation receives management support from its parent, Oshawa Power and Utilities Corporation. During the year, the Corporation paid $480 (2005 - $480) to its parent.

Detach and return this REMITTANCE FORM with your payment.

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800157

35
PX5005

OSHAWA PUC NETWORKS INC.
C/O MICHAEL CHASE
100 SIMCOE ST S

OSHAWA ON
L1H 7M7

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 5 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2005/01/01 **to** 2005/12/31

Account No.	Reassessment Date (year, month, day)	Page
1800157	2007/07/20	1 of 1

OSHAWA PUC NETWORKS INC.

REASSESSMENT NO. 211 REPLACING ASSESSMENT DATED: 2006/10/03

Tax: Federal and Provincial PIL	2,090,696.00
Assessment Interest	6,553.84CR
Total Reassessment Liability	2,084,142.16

SUMMARY OF 2005/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	2,425,596.44CR	
Refunds	263,716.74	
Small Balance Adjustment	0.01CR	
Sub-Total		2,161,879.71CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		77,737.55CR

(A)

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Expected Tax Change 2007 Decision

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

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Canada Revenue Agency / Agence du revenu du Canada

OSHAWA PUC NETWORKS INC

Date of mailing	November 28, 2007
Business Number	89172 5210 RC0001
Taxation year-end	December 31, 2006

CORPORATION NOTICE OF ASSESSMENT

SUMMARY OF ASSESSMENT

Federal Tax:	$ Reported	$ Assessed
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part III.1	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIII.1	0.00	0.00
Part XIV	0.00	0.00
Total Federal Tax:		$ 0.00
Net balance:		$ 0.00
Result of this assessment:		$ 0.00
Prior balance:		$ 0.00
Total balance:		$ 0.00

William V. Baker
Commissioner of Revenue

EXPLANATION

Please visit our Web site at www.cra.gc.ca/requests-business for information about online requests available to business clients. This service allows clients to electronically request certain financial actions, additional remittance vouchers and other communication products, as well as reproductions of previously issued correspondence.

The Canada Revenue Agency also offers the convenience of Direct Deposit. For information about this service, please visit our Web site at www.cra.gc.ca or contact the number provided below.

Did you know you may be eligible to file your return using our Corporation Internet Filing service? For information on eligibility criteria and the service in general, please visit www.cra.gc.ca/corporation-internet.

If you require additional information or wish to request an adjustment, contact:

Sudbury Tax Centre
1050 Notre Dame Ave
Sudbury ON P3A 5C1
Fax (705) 671-0490

Toronto East Services Office
200 Town Centre Court
Scarborough ON M1P 4Y3
Toll free number 1-800-959-5525

GENERAL INFORMATION

However, we may reassess a T2 return for a taxation year at **any time** if:

- the person filing the return has made any misrepresentation that is attributable to neglect, carelessness, or wilful default, or has committed any fraud in filing the return or in supplying any information; or
- the person filing the return has filed Form T2029, *Waiver in Respect of the Normal Reassessment Period,* within that taxation year's normal reassessment period that has not been revoked.

APPENDIX B

DECISION AND ORDER

EB-2004-0236

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2004-0080
EB-2004-0236

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Oshawa PUC Networks Inc. for an order or orders approving or fixing just and reasonable rates.

BEFORE: Paul Vlahos
Presiding Member

Arthur Birchenough
Member

DECISION AND ORDER

As part of Oshawa PUC Network's ("Oshawa") application related to the recovery of Regulatory Assets, it also sought approval to recover the revenue shortfall resulting from the closure of its largest customer, ACSYS. Oshawa had filed a letter (undated) from the Minister of Energy giving approval for Oshawa to proceed with its request to the Ontario Energy Board ("the Board"). In its Decision and Order dealing with the recovery of Regulatory Assets, the Board noted that it would deal with the lost revenue component of the application at a later time. The Board assigned a separate file number, RP-2004-0080/EB-2004-0236, to this component of the application.

On April 8, 2004, the Board issued a Letter of Direction to Oshawa to publish a combined Notice of Application and Notice of Public Hearing. The Notice was published in the local paper on Wednesday April 21, 2004. No party intervened.

As a result of the customer plant closure, Oshawa seeks to recover an annualized amount of $555,000 through higher volumetric rates for its residential and general service <50 kW customer classes. The allocation of the total amount to the two customer classes follows the relative share of distribution revenue. Based on Oshawa's allocation proposal, the monthly bill for a typical residential customer using 1,000 kWh per month would increase by $1.10 or 1.2%. For a typical general service <50 kW customer, the monthly bill would increase by $2.60 or 1.4%.

Copies of the application and other material pertaining to this proceeding are available at the Board's offices.

Board Findings

The issues that arise for the Board are as follows:

1. Is there sufficient evidence that the plant closure will take place and if so, what is the likelihood that there will be another occupant?

2. Is the revenue loss of material consequence?

3. Are there stranded distribution assets as a result of the plant closure?

4. Is the proposed recovery allocation to the rate classes appropriate?

We accept Oshawa's evidence that ACSYS has been winding down its operations since August 2003 and that the plant will be closed in June 2004. We also accept Oshawa's evidence that, although no formal public notice has

been issued, the demolition of the plant will begin in the fall 2004. We find on the evidence that there will likely not be another customer at that location to replace the lost load, at least in the near future. However, there is no conclusive evidence that Oshawa would not continue to bill and collect revenues from fixed charges and some load after June 30, 2004.

We note that the distribution revenue loss of $555,000 represents approximately 4% of Oshawa's total distribution revenue. In our view, the loss, if not remedied, would cause a material financial detriment to the utility. Also, the lost revenue is not the result of bad debt. We therefore are satisfied that a provision should be made for Oshawa to recover the lost revenue from its other customers.

According to the evidence, the load loss would create an estimated 50% excess capacity in the lines that are currently used to service the customer. The transformer station is owned by the customer. Since these lines are used for other loads and the excess capacity may be used in the future, these common use lines cannot be considered stranded. The net book value of the portions of the lines that are specifically dedicated to the sole use of the lost customer are estimated by Oshawa at $2,000. While the undepreciated cost of these lines would have to be written off, we are of the view that this amount is of no material consequence to warrant an adjustment to rate base at this time.

We do not find Oshawa's evidence sufficient to support its proposal to recover the revenue loss from only the residential and general service <50 kW classes. There is no allocation study available to Oshawa to conclusively support its proposal. Until such cost allocation study becomes available, we are of the view that recovery from all the rate classes would be more appropriate, and we so find.

We also find that it would be appropriate to allocate the $550,000 revenue deficiency to all classes on a volumetric basis.

THE BOARD THEREFORE ORDERS THAT:

1. The rate schedule appended to this Decision and Order be effective July 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force.

2. Any revenues collected from ACSYS after June 30, 2004 be recorded in a deferral account and reported to the Board on a monthly basis.

3. Oshawa notify all its customers about the rate changes coincident with the first bills reflecting the new rates.

DATED at Toronto, June 28, 2004

Signed on behalf of the Panel

Paul Vlahos
Presiding Member

APPENDIX C

REGULATORY ASSETS CONTINUITY SCHEDULE

RESPONSE TO QUESTION #48

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Oshawa PUC Network inc.	**LICENCE NUMBER**	ED-2002-056
NAME OF CONTACT	Mike Chase	**DOCID NUMBER**	EB-200X-XXXX
E-mail Address	Mchase@opuc.on.ca		
VERSION NUMBER	v3.0	**PHONE NUMBER**	
Date	Dec 5 07	**(extension)**	

Enter appropriate data in cells which are highlighted in yellow only.
Enter the total applied for Regulatory Asset amounts for each account in the appropriate cells below:
Debits should be recorded as positive numbers and credits should be recorded as negative numbers.
Repeat cells going across as necessary for each year in application

			2005									
Account Description	**Account Number**	**Opening Principal Amounts as of Jan-1-05** [1]	**Transactions (additions) during 2005, excluding interest and adjustments** [6]	**Transactions (reductions) during 2005, excluding interest and adjustments** [6]	**Adjustments during 2005 - instructed by Board** [2]	**Adjustments during 2005 - other** [3]	**Closing Principal Balance as of Dec-31-05**	**Opening Interest Amounts as of Jan-1-05**	**Interest Jan-1 to Dec31-05**	**Closing Interest Amounts as of Dec-31-05**
RSVA - Wholesale Market Service Charge	1580	$ 1,270,633				$ 726,520	$ 1,997,153	$ 290,414	$ 124,743	$ 415,157
RSVA - One-time Wholesale Market Service	1582	$ 87,647				$ 59,408	$ 147,055	$ 16,574	$ 12,671	$ 29,245
RSVA - Retail Transmission Network Charge	1584	$ 2,743,947				$ 1,397,726	$ 4,141,673	$ 328,078	$ 310,102	$ 638,180
RSVA - Retail Transmission Connection Charge	1586	$ (2,002,357)				$ (819,672)	$ (2,822,029)	$ 100,982	$ (67,439)	$ 33,543
Sub-Totals		$ 2,099,870	$ -		$ -	$ 1,363,982	$ 3,463,852	$ 736,048	$ 380,077	$ 1,116,125
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508						$ -			$ -
Other Regulatory Assets - Sub-Account - Pension Contributions	1508						$ -			$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508						$ -			$ -
Other Regulatory Assets - Sub-Account - Rebate Chqs	1508						$ -			$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508						$ -			$ -
Retail Cost Variance Account - Retail	1518						$ -			$ -
Retail Cost Variance Account - STR	1548						$ -			$ -
Misc. Deferred Debits	1525	$ (21,501)					$ (21,501)			$ -
LV Variance Account	1550						$ -			$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555						$ -			$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555						$ -			$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Met	1555						$ -			$ -
Smart Meter OM&A Variance	1556						$ -			$ -
Conservation and Demand Management Expenditures and Recoveries	1565						$ -			$ -
CDM Contra	1566						$ -			$ -
Qualifying Transition Costs [5]	1570	$ 304,238	n/a	n/a	$ (30,424)		$ 273,814	$ 58,697	$ 13,982	$ 72,679
Pre-Market Opening Energy Variances Total [5]	1571	$ 1,086,000	n/a	n/a			$ 1,086,000			$ -
Extra-Ordinary Event Costs	1572						$ -			$ -
Deferred Rate Impact Amounts	1574						$ -			$ -
Other Deferred Credits	2425						$ -	$ 151,599	$ (151,599)	$ -
Sub-Totals		$ 1,368,737	$ -	$ -	$ (30,424)	$ -	$ 1,338,313	$ 210,296	$ (137,617)	$ 72,679
Deferred Payments in Lieu of Taxes	1562				**see PILs reconciliation requested**					
2006 PILs & Taxes Variance	1592				**see PILs reconciliation requested**					
Sub-Totals					**see PILs reconciliation requested**					
Total		$ 3,468,607	$ -	$ -	$ (30,424)	$ 1,363,982	$ 4,802,165	$ 946,344	$ 242,460	$ 1,188,804
The following is not included in the total claim but is included on a memo basis:										
Deferred PILs Contra Account [8]	1563				**see PILs reconciliation requested**					
RSVA - Power (including Global Adjustment)	1588	$ 323,059					$ 323,059			$ -
RSVA - Power - Sub-Account - Global Adjustment [4]	1588	$ (589,942)					$ (589,942)	$ (617,124)	$ 148,140	$ (468,984)
Recovery of Regulatory Asset Balances	1590						$ -			$ -

J:\Managers\1-2008 Rate Application\Application Submitted\Interrogatories\[Board_Staff_IR_No_48_20071119 (2).xls]Continuity Schedule

[1] As per general ledger, if does not agree to Dec-31-04 balance filed in 2006 EDR then provide supplementary analysis
[2] Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, and etc.
[3] Provide supporting statement indicating nature of this adjustments and periods they relate to
[4] Not included in sub-total
[5] Closed April 30, 2002
[6] For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.
[7] Please describe "other" components of 1508 and add more component lines if necessary.
[8] 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.
[9] Interest projected on December 31, 2006 closing principal balance.

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Oshawa PUC Network inc.
NAME OF CONTACT	Mike Chase
E-mail Address	Mchase@opuc.on.ca
VERSION NUMBER	v3.0
Date	Dec 5 07

		2006											
Account Description	**Account Number**	**Opening Principal Amounts as of Jan-1-06**	**Transactions (additions) during 2006, excluding interest and adjustments [6]**	**Transactions (reductions) during 2006, excluding interest and adjustments [6]**	**Adjustments during 2006 - instructed by Board [2]**	**Adjustments during 2006 - other [3]**	**Transfer of Board-approved amounts to 1590 as per 2006 EDR**	**Closing Principal Balance as of Dec-31-06**	**Opening Interest Amounts as of Jan-1-06**	**Interest Jan-1 to Dec31-06**	**Transfer of Board-approved amounts to 1590 as per 2006 EDR**	**Closing Interest Amounts as of Dec-31-06**
RSVA - Wholesale Market Service Charge	1580	$ 1,997,153	$ (1,418,237)				$ (1,270,633)	$ (691,717)	$ 415,157	$ 37,222	$ (438,232)	$ 14,147
RSVA - One-time Wholesale Market Service	1582	$ 147,055					$ (87,647)	$ 59,408	$ 29,245	$ 7,947	$ (33,195)	$ 3,997
RSVA - Retail Transmission Network Charge	1584	$ 4,141,673	$ 1,493,637				$ (2,743,947)	$ 2,891,363	$ 638,180	$ 190,056	$ (721,523)	$ 106,713
RSVA - Retail Transmission Connection Charge	1586	$ (2,822,029)	$ (783,715)				$ 2,002,357	$ (1,603,387)	$ 33,543	$ (14,169)	$ (21,627)	$ (2,253)
Sub-Totals		$ 3,463,852	$ (708,315)		$ -	$ -	$ (2,099,870)	$ 655,667	$ 1,116,125	$ 221,056	$ (1,214,577)	$ 122,604
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	$ -						$ -	$ -			$ -
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	$ -						$ -	$ -			$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508	$ -						$ -	$ -			$ -
Other Regulatory Assets - Sub-Account - Rebate Chqs	1508	$ -						$ -	$ -			$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508	$ -						$ -	$ -			$ -
Retail Cost Variance Account - Retail	1518	$ -						$ -	$ -			$ -
Retail Cost Variance Account - STR	1548	$ -						$ -	$ -			$ -
Misc. Deferred Debits	1525	$ (21,501)	$ 6,409				$ (6,409)	$ (21,501)	$ -			$ -
LV Variance Account	1550	$ -						$ -	$ -			$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	$ -						$ -	$ -			$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	$ -	$ (100,890)					$ (100,890)	$ -			$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Met	1555	$ -						$ -	$ -			$ -
Smart Meter OM&A Variance	1556	$ -						$ -	$ -			$ -
Conservation and Demand Management Expenditures and Recoveries	1565	$ -						$ -	$ -			$ -
CDM Contra	1566	$ -						$ -	$ -			$ -
Qualifying Transition Costs [5]	1570	$ 273,814	n/a	n/a			$ (273,814)	$ -	$ 72,679	$ 50,496	$ (123,175)	$ -
Pre-Market Opening Energy Variances Total [5]	1571	$ 1,086,000	n/a	n/a			$ (1,086,000)	$ -	$ -			$ -
Extra-Ordinary Event Costs	1572	$ -						$ -	$ -			$ -
Deferred Rate Impact Amounts	1574	$ -						$ -	$ -			$ -
Other Deferred Credits	2425	$ -						$ -	$ -			$ -
Sub-Totals		$ 1,338,313	$ (94,481)	$ -	$ -	$ -	$ (1,366,223)	$ (122,391)	$ 72,679	$ 50,496	$ (123,175)	$ -
Deferred Payments in Lieu of Taxes	1562					see PILs reconciliation requested						
2006 PILs & Taxes Variance	1592					see PILs reconciliation requested						
Sub-Totals						see PILs reconciliation requested						
Total		$ 4,802,165	$ (802,796)	$ -	$ -	$ -	$ (3,466,093)	$ 533,276	$ 1,188,804	$ 271,552	$ (1,337,752)	$ 122,604
The following is not included in the total claim but is included on a memo basis:												
Deferred PILs Contra Account [8]	1563					see PILs reconciliation requested						
RSVA - Power (including Global Adjustment)	1588	$ 323,059					$ (323,059)	$ -	$ -			$ -
RSVA - Power - Sub-Account - Global Adjustment [4]	1588	$ (589,942)	$ 800,496					$ 210,554	$ (468,984)	$ (315,476)	$ 689,622	$ (94,838)
Recovery of Regulatory Asset Balances	1590	$ -	$ (1,854,911)	$ (688,535)			$ 3,789,152	$ 1,245,706	$ -	$ 203,655	$ 648,130	$ 851,785

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SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Oshawa PUC Network inc.
NAME OF CONTACT	Mike Chase
E-mail Address	Mchase@opuc.on.ca
VERSION NUMBER	v3.0
Date	Dec 5 07

Account Description	Account Number	Projected Interest on Dec 31 -06 balance from Jan 1, 2007 to Dec 31, 2007 [9]	Projected Interest on Dec 31 -06 balance from Jan 1, 2008 to April 30, 2008 [9]	Claim before Forecasted Transactions	Forecasted Transactions, Excluding Interest from Jan 1, 2007 to Dec 31, 2007	Forecasted Transactions, Excluding Interest from Jan 1, 2008 to April 30, 2008	Projected Interest from Jan 1, 2007 to April 30, 2008 on Forecasted Transx (Excl Interest) from Jan 1, 2007 to December 31, 2007	Projected Interest from Jan 1, 2008 to April 30, 2008 on Forecasted Transx (Excl Interest) from Jan 1, 2008 to April 30, 2008	Total Claim
RSVA - Wholesale Market Service Charge	1580	$ (31,750)	$ (10,583)	$ (719,903)	$ (1,400,000)	$ (466,667)	$ (37,000)	$ (9,250)	$ (2,632,820)
RSVA - One-time Wholesale Market Service	1582	$ 2,727	$ 909	$ 67,041					$ 67,041
RSVA - Retail Transmission Network Charge	1584	$ 132,714	$ 44,238	$ 3,175,028	$ 991,000	$ 330,333	$ (201,000)	$ (50,250)	$ 4,245,111
RSVA - Retail Transmission Connection Charge	1586	$ (73,596)	$ (24,532)	$ (1,703,768)	$ (749,000)	$ (249,667)	$ (18,000)	$ (4,500)	$ (2,724,935)
Sub-Totals		$ 30,095	$ 10,032	$ 818,398	$ (1,158,000)	$ (386,000)	$ (256,000)	$ (64,000)	$ (1,045,602)
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508			$ -					$ -
Other Regulatory Assets - Sub-Account - Pension Contributions	1508			$ -					$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508			$ -					$ -
Other Regulatory Assets - Sub-Account - Rebate Chqs	1508			$ -					$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508			$ -					$ -
Retail Cost Variance Account - Retail	1518			$ -					$ -
Retail Cost Variance Account - STR	1548			$ -					$ -
Misc. Deferred Debits	1525			$ (21,501)					$ (21,501)
LV Variance Account	1550			$ -					$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555			$ -					$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555			$ -					$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Met	1555			$ -					$ -
Smart Meter OM&A Variance	1556			$ -					$ -
Conservation and Demand Management Expenditures and Recoveries	1565			$ -					$ -
CDM Contra	1566			$ -					$ -
Qualifying Transition Costs [5]	1570	$ (4,631)	$ (1,544)	$ -					$ -
Pre-Market Opening Energy Variances Total [5]	1571			$ -					$ -
Extra-Ordinary Event Costs	1572			$ -					$ -
Deferred Rate Impact Amounts	1574			$ -					$ -
Other Deferred Credits	2425			$ -					$ -
Sub-Totals		$ (4,631)	$ (1,544)	$ (128,566)	$ -	$ -	$ -	$ -	$ (128,566)
Deferred Payments in Lieu of Taxes	1562			$ 812,655					$ 812,655
2006 PILs & Taxes Variance	1592			$ (812,655)					
Sub-Totals				$ -					$ 812,655
Total		$ 25,464	$ 8,488	$ 689,832	$ (1,158,000)	$ (386,000)	$ (256,000)	$ (64,000)	$ (361,513)
The following is not included in the total claim but is included on a memo basis:									
Deferred PILs Contra Account [8]	1563								
RSVA - Power (including Global Adjustment)	1588			$ -					$ -
RSVA - Power - Sub-Account - Global Adjustment [4]	1588	$ 9,664	$ 3,221	$ 128,601					$ 128,601
Recovery of Regulatory Asset Balances	1590	$ 61,504	$ 9,523	$ 2,168,518	$ (1,142,514)	$ (380,838)	$ 11,380	$ 1,857	$ 658,403

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APPENDIX D

TAX RETURNS 2002 – 2005

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2002 CT23 Corporations Tax and Annual Return

EB-2001-0010
Board Staff Interrogatories
OPUCN Response

For taxation years commencing after May 4, 1999

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return**, together with the applicable schedules. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, request and file the CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedules A or K) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Refer to Guide)* Yes [ ] No [X]

Ministry Use

Corporation's Legal Name *(including punctuation)* and Mailing Address

Oshawa PUC Networks Inc. PILs

100 Simcoe Street South

Oshawa
ON CA L1H-7M7

Ontario Corporations Tax Account No. (MOF)
1800157

This CT23 Return covers the Taxation Year
Start: year month day 2001-10-01
End: year month day 2001-12-31

Has address changed since last filed CT23 Return? Yes [ ] Date of Change: year month day

Date of Incorporation or Amalgamation
year month day 2000-11-01

Registered/Head Office Address

100 Simcoe Street South

Oshawa
ON CA L1H-7M7

Ontario Corporation No. (MCBS)

Location of Books and Records

Simcoe Street South

Oshawa
ON CA L1H-7M7

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter
891725210RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
Luc Perron	905-723-4626	

Jurisdiction Incorporated: Ontario

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)

ON CA -

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced: year month day
Ceased: year month day
(Not Applicable) [X]

Former Corporation Name *(Extra-Provincial Corporations only)* *(Not Applicable)* [X] (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 0

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please [X] this box. Schedule(s) A and K are not required (MCBS). [X] **No change**

Preferred Language/*Langue de préférence*
English *anglais* [X] French *français* [ ]

Ministry use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

Title: D [ ] Director O [X] Officer P [ ] Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

CT23 Corporations Tax Return

entification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1 [X] 1 Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent) [100]%

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter

Specify major business activity
Electricity Distribution

2

1 [ ] Family Farm Corporation s.1 (2)
2 [ ] Family Fishing Corporation s.1 (2)
3 [ ] Mortgage Investment Corporation s.47
4 [ ] Credit Union s.51
5 [ ] Bank Mortgage Subsidiary s.61 (4)
6 [ ] Bank s.1 (2)
7 [ ] Loan and Trust Corporation s.61 (4)
8 [ ] Non-resident Corporation s.2(2)(a) or (b)
9 [ ] Non-resident Corporation s.2(2)(c)
10 [ ] Mutual Fund Corporation s.48
11 [ ] Non-resident owned investment Corporation s.49
12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
14 [ ] Bare Trustee Corporation
15 [ ] Branch of Non-residents s.63(1)
16 [ ] Financial institution prescribed by Regulation only
17 [ ] Investment Dealer
18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either
20 [ ] Producer and seller of steam for uses other than for the generation of electricity
21 [ ] Insurance Exchange s.74.4
22 [ ] Farm Feeder Finance Co-operative Corporation
23 [ ] Professional Corporation (incorporated professionals only)

Please "X" box(es) if applicable:

[ ] First Year of Filing
[X] Amended Return
[X] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required
[ ] Final Taxation Year up to Dissolution (wind-up)
[ ] Final Taxation Year before Amalgamation
[ ] Floating Fiscal Year End
[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
[ ] Acquisition of Control fed s.249(4)

Date Control was acquired
year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[X]	[ ]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[X]	[ ]
a Specified Refundable Tax Credit?	[ ]	[X]
Are you a Member of a Partnership or Joint Venture?	[ ]	[X]

Income Tax

DOLLARS ONLY

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Inter. Bulletin 2617). Attach a schedule (or a copy of federal T2 SCH 5) showing allocation of gross revenue, salaries and wages, including applicable percentages.

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 16)			±	From 690	-4,013,774.
Add back: Charitable donations			+	1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule)*			–	2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3			–	3	0.
Subtract: Ontario political contributions *(Attach schedule)*			–	4	0.
Subtract: Federal Part VI.1 tax	0. X 9/4		–	5	0.
Subtract: Prior years' losses applied – Non-capital losses			–	From 704	0.
Net capital losses	From 715 (page 17) 0.	X inclusion rate 50.000000%	= –	714	0.
Farm losses			–	From 724	0.
Restricted farm losses			–	From 734	0.
Limited partnership losses			–	From 754	0.
Taxable Income (Non-capital loss)			=	10	-4,013,774.
Addition to taxable income for unused foreign tax deduction for federal purposes			+	11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)			=	20	0.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	0.	X 30 100.0000% Ontario Allocation	X 15.5000%	X	Days before May 2, 2000 22 0	÷	Total Days 73 92	= +	23	0.
From 10 (or 20 if applicable)	0.	X 30 100.0000% Ontario Allocation	X 14.5000%	X	Days after May 1, 2000 and before Jan 1, 2001 24 0	÷	Total Days 73 92	= +	25	0.
From 10 (or 20 if applicable)	0.	X 30 100.0000% Ontario Allocation	X 14.0000%	X	Days after Dec 31, 2000 and before Oct 1, 2001 26 0	÷	Total Days 73 92	= +	27	0.
From 10 (or 20 if applicable)	0.	X 30 100.0000% Ontario Allocation	X 12.5000%	X	Days after Sept 30, 2001 and before Jan 1, 2003 28 92	÷	Total Days 73 92	= +	29	0.
From 10 (or 20 if applicable)	0.	X 30 100.0000% Ontario Allocation	X 12.5000%	X	Days after Dec 31, 2002 and before Jan 1, 2004 31 0	÷	Total Days 73 92	= +	32	0.

Income Tax Payable (before deduction of tax credits) 23 + 25 + 27 + 29 + 32 = 40 0.

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [ ] Yes [X] No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	0.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51 0.		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52 0.		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53 0.		
Federal Business limit for the year before the application of fed.s.125(5.1)	= 0.	54	0.
(not exceeding $ 200,000) *(Attach federal T2 SCH 23 if associated)*			
Add: Ontario enhancement of federal business limit	+ 55 50,411.		

Number of Days in Taxation Year

40,000 x	Days after Dec 31, 2000 and before Oct 1, 2001 0	÷ Total Days 73 92				
X From 55 50,411	÷ 200,000		=+ 42	0.		
80,000 x	Days after Sept 30, 2001 and before Jan 1, 2003 92	÷ Total Days 73 92				
X From 55 50,411	÷ 200,000		=+ 43	20,164.		
120,000 x	Days after Dec 31, 2002 and before Jan 1, 2004 0	÷ Total Days 73 92				
X From 55 50,411	÷ 200,000		=+ 46	0.		
rio enhancement of ral business limit	42 + 43 + 46	=	20,164.	+ 44	20,164.	
Business Limit for Ontario purposes	55 + 44	=	70,575.	45	70,575.	
Income eligible for the IDSBC	From 30 100.0000% * Ontario Allocation	X	56 0.	=	60	0.

Least of 50, 54 or 45

*** Note:** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Oshawa PUC Networks Inc. | 1800157 | 2001-12-31 | DOLLARS ONLY

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

			Days		Total Days		
7.00%	x	Days after Dec 31, 1998 and before Jan 1, 2000 [74]	0	÷ [73]	92	= + [75]	.0000
7.50%	x	Days after Dec 31, 1999 and before Oct 1, 2001 [76]	0	÷ [73]	92	= + [77]	.0000
6.50%	x	Days after Sept 30, 2001 and before Jan 1, 2003 [28]	92	÷ [73]	92	= + [79]	6.5000
7.00%	x	Days after Dec 31, 2002 and before Jan 1, 2004 [31]	0	÷ [73]	92	= + [89]	.0000

IDSBC Rate for Taxation Year [75] + [77] + [79] + [89] = [78] 6.5000

Claim From [60] 0. x From [78] 6.5000% = [70] 0.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in [114] below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

**** Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

**** Taxable Income of the corporation** From [10] (or [20] if applicable) + [80] 0.

If you are a member of an associated group (X) [81] [X] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End		Taxable Income (if loss, enter nil) **
See attached			+ [82]	0.
			+ [83]	.
			+ [84]	.

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. = [85] 0.

Number of Days in Taxation Year

			Days		Total Days		
Subtract: 200,000	x	Days before Jan 1, 2001 [558]	0	÷ [73]	92	= + [111]	0.
240,000	x	Days after Dec 31, 2000 and before Oct 1, 2001 [26]	0	÷ [73]	92	= + [112]	0.
280,000	x	Days after Sept 30, 2001 and before Jan 1, 2003 [28]	92	÷ [73]	92	= + [113]	280,000.
320,000	x	Days after Dec 31, 2002 and before Jan 1, 2004 [31]	0	÷ [73]	92	= + [115]	0.

[111] + [112] + [113] + [115] = 280,000. − [114] 280,000.

(If negative, enter nil) = [86] 0.

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax

			Days		Total Days		
4.67%	x	Days after Dec 31, 1998 and before Jan 1, 2000 [74]	0	÷ [73]	92	= + [92]	.0000
5.00%	x	Days after Dec. 31, 1999 and before Oct 1, 2001 [76]	0	÷ [73]	92	= + [93]	.0000
4.3330%	x	Days after Sept 30, 2001 and before Jan 1, 2003 [28]	92	÷ [73]	92	= + [95]	4.3330
4.6670%	x	Days after Dec 31, 2002 and before Jan 1, 2004 [31]	0	÷ [73]	92	= + [96]	.0000

Specified rate of surtax for Taxation Year [92] + [93] + [95] + [96] = [94] 4.3330

From [86] 0. x From [94] 4.3330% = [87] 0.

From [87] 0. x From [60] 0. ÷ From [114] 280,000. = [88] 0.

Surtax Lesser of [70] or [88] = [100] 0

Continued on Page 6

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).

The whole of the active business income qualifies as Eligible Canadian Profits **if: a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits ..... + 120 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 0.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 0. ÷ From 30 100.0000 % ÷ From 78 6.5000 % = 121 0.
Lesser of 56 or 121
* Ontario Allocation

120 – 56 + 122 ..... + 122 0.

..... = 130 0.

Taxable Income ..... + From 10 -4,013,774.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 0.

Add: Adjustments for Surtax on Canadian-controlled private corporations ..... + From 122 0.

Subtract: Taxable Income From 10 -4,013,774. X Allocation % to jurisdictions outside Canada .0000 % .... – 140 0.

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses ..... – 141 0.

10 – 56 + 122 – 140 – 141 ..... = 142 0.

Number of Days in Taxation Year

Claim

143 0. X From 30 100.0000 % X 2.0000 % X (152 0 ÷ 73 92) = + 153 0.
Lesser of 130 or 142
* Ontario Allocation

Days before Oct 1, 2001 / Total Days

143 0. X From 30 100.0000 % X 1.5000 % X (28 0 ÷ 73 92) = + 154 0.
Lesser of 130 or 142
* Ontario Allocation

Days after Sept 30, 2001 and before Jan 1, 2003 / Total Days

143 0. X From 30 100.0000 % X 1.5000 % X (31 0 ÷ 73 92) = + 155 0.
Lesser of 130 or 142
* Ontario Allocation

Days after Dec 31, 2002 and before Jan 1, 2004 / Total Days

M&P claim for taxation year 153 + 154 + 155 ..... = 160 0.

* **Note:** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations ..... = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) *(Attach schedule)*. 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 ..... = 190 0.

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* ..... + 191 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F ..... + 192 0.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 Claim Form Certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed graduate students.
No. of Graduates From 6596
194 0
Eligible Credit From 6598 Summary Schedule G ..... + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by first-time Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* ..... + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* ..... + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible non-Canadian content film and television productions.
Eligible Credit From 7300 Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* ..... + 201 0.

Other (specify) _____ ..... + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** ..... = 225 0.

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** ..... = 230 0.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 18.***

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

Corporate Minimum Tax (CMT)

termination of Applicability

Applies if ***either*** Total Assets [249] exceeds $5,000,000 ***or*** Total Revenue [250] exceeds $10,000,000.

* These amounts include the corporation's and associated corporations' share of any partnership(s)/joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s)/joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation** + [240] 68,244,040.

*** Total Revenue of the corporation** + [241] 90,477,985.

If you are a member of an associated group (x) [242] [X] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total assets	* Total Revenue
See attached			+ [243] 23,063,665.	+ [244]
			+ [245]	+ [246]
			+ [247]	+ [248]

Aggregate Total Assets [240] + [243] + [245] + [247], etc. = [249] 91,307,705.

Aggregate Total Revenue [241] + [244] + [246] + [248], etc. = [250] 90,477,985.

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on Pages 19, 20 and 21 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on Page 19.)*

Gross CMT Payable ..... CMT Base From [2135] 0. (If negative, enter zero) X From [30] 100.0000% (Ontario Allocation) X 4% = [276] 0.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)* – [277] 0.

Subtract: Income Tax – From [190] 0.

Net CMT Payable (If negative, enter Nil on Page 18.) = [280] 0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 18.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 18*** and transfer [280] to ***Page 18***, and to ***Schedule D: Continuity of CMT Credit Carryovers,*** on ***Page 21.***

CMT Credit Carryover available From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) + From [190] 0.

Gross CMT Payable + From [276] 0.

Subtract: Foreign Tax Credit for CMT purposes – From [277] 0.

If [276] – [277] is negative, enter NIL in [290] = 0. – [290] 0.

Income Tax eligible for CMT Credit = [300] 0.

B. Income tax (after deduction of specified credits) + From [230] 0.

Subtract: CMT credit used to reduce income taxes – [310] 0.

Income Tax = [320] 0.

Transfer to page 18

If A & B apply, [310] ***cannot exceed the lesser of*** [230], [300] ***and your CMT credit carryover available*** [2307].

If only B applies, [310] ***cannot exceed the lesser of*** [230] ***and your CMT credit carryover available*** [2307].

Capital Tax *(Refer to Guide)*

If your corporation is a Financial Institution (s.58(2)), proceed to page 14.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in [480] and [430] are both $1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in [480] and [430] are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, it is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in [550] on Page 13 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B.15-79, Int.B.L-12 and Int.B.L-16)

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a).

Paid-up Capital

Paid-up capital stock	+ 350	23,063,666.
Retained earnings (if deficit, deduct)	± 351	-2,127,136.
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	+ 352	0.
Loans and advances *(Attach schedule)*	+ 353	27,610,048.
Bank loans	+ 354	0.
Bankers acceptances	+ 355	0.
Bonds and debentures payable	+ 356	0.
Mortgages payable	+ 357	0.
Lien notes payable	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax)	+ 359	7,024,790.
Contingent, investment, inventory and similar reserves	+ 360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)*	+ 361	0.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))*	+ 362	0.
Subtotal	= 370	55,571,368.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)*	- 371	-17,464,738.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	- 372	0.
Total Paid-up Capital	= 380	73,036,106.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	- 381	0.
Net Paid-up Capital	= 390	73,036,106.

Eligible Investments *(Refer to Guide)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, term deposits, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Term deposits and investment certificates in foreign financial institutions for taxation years ending prior to December 15, 1999 *(Refer to Guide)*	+ 400	0.
Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+ 404	0.
Loans and advances to unrelated corporations	+ 405	64,873.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+ 406	0.
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+ 407	0.
Total Eligible Investments	= 410	64,873.

continued on Page 10

Loans

Due to City of Oshawa	23,063,665.00
Customer deposits	3,397,205.00
	0.00
Regulatory liability	240,981.00
Other (Development Fund/Deferred Revenue)	908,197.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	27,610,048.00

Prepaid Expense	52,148.00
Securities Held for Deposit	12,725.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	64,873.00

UCC vs NBV

UCC per Ont Sch. 8		-53,040,452.00
NBV per F/S		38,316,384.00
less: land		-98,896.00
less: WIP		-2,641,774.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-17,464,738.00

Non-deductible reserves

Employee future benefits	6,487,569.00
Employee sick leave benefits	537,221.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	7,024,790.00

Capital Tax *continued from Page 9*

Total Assets

al Assets per balance sheet	+	420	68,244,040.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	–	423	0.
Total Assets as adjusted	=	430	68,244,040.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	–	441	-17,464,738.
Subtract: Appraisal surplus if booked	–	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	85,708,778.

Investment Allowance (410 ÷ 450) x 390 Not to exceed 410	=	460	55,281.
Taxable Capital 390 – 460	=	470	72,980,825.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	22,805,410.
Total Assets (as adjusted) From 430		68,244,040.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2002) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.

(Financial Institutions use calculations on page 14.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.**

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B and select and complete the one specific subsection (e.g. B4) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C. Next review, and if applicable, complete Section D. If Section D is not applicable review Section E and complete the applicable subsection: either E1 or E2. Note: if the corporation is a member of a connected partnership, please refer to the guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution.

Enter NIL in 550 on page 13 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1. If the taxation year end is before January 1, 2001 and 430 and 480 are both $1,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B2. If the taxation year end is after December 31, 2000 and 430 and 480 are both $1,500,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B3. If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B4. If taxable capital, 470 on page 10 is $2,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

continued on Page 11

Capital Tax Calculation *continued from page 10*

B5. If taxable capital, [470] exceeds $2,000,000 but is $5,000,000 or less, complete the following calculations and transfer the total from [508] to [543] and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From [470] 0. X .3000% = + [490] 0.

Deduct:

[$2,400,000 – From [470] 0. X 1.5% = – [492] 0.] *If 2,400,000 – [470] is negative, enter NIL in [492]*

([504] = [490] – [492]) = [504] 0. X From [30] 100.0000% (Ontario Allocation) X Days in taxation year after May 4, 1999 and before Jan 1, 2000 [552] 0 / ** 365 (366 if leap year) = + [505] 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(b) From [470] 0. X .3000% = + [490] 0.

Deduct:

[$2,800,000 – From [470] 0. X 0.75% = – [493] 0.] *If 2,800,000 – [470] is negative, enter NIL in [493]*

([506] = [490] – [493]) = [506] 0. X From [30] 100.0000% (Ontario Allocation) X Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 [553] 0 / ** 365 (366 if leap year) = + [507] 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(c) From [470] 0. X .3000% = + [490] 0.

Deduct:

[$3,200,000 – From [470] 0. X 0.5% = – [495] 0.] *If 3,200,000 – [470] is negative, enter NIL in [495]*

([509] = [490] – [495]) = [509] 0. X From [30] 100.0000% (Ontario Allocation) X Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 [554] 0 / ** 365 (366 if leap year) = + [522] 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(d) Capital Tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose taxable capital is $5,000,000 or less and that is not associated, is NIL. ..... + 0.

Total Capital Tax for the taxation year [505] + [507] + [522] ..... = [508] 0.

Transfer to [543] on page 13 and complete the return from that point.

B6. If [470] exceeds **$5,000,000,** complete the following calculations and transfer the amount from [508] to [543] and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From [470] 0. X From [30] 100.0000% (Ontario Allocation) X .3000% X Days in taxation year before Oct 1, 2001 [559] 0 / ** 365 (366 if leap year) ..... = + [502] 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) From [470] 0.

Exemption – 0.

= [471] 16,323,530. X From [30] 100.0000% (Ontario Allocation) X .3000% X Days in taxation year after Sept 30, 2001 [560] 92 / ** 365 (366 if leap year) ..... = + [523] 0.

Total Capital Tax for the taxation year [502] + [523] ..... = [508] 0.

Transfer to [543] on page 13 and complete the return from that point.

*** If floating taxation year, refer to Guide.***

continued on Page 12

Capital Tax Calculation *continued from page 11*

SECTION C

...e corporation is a member of an associated group and/or partnership,
...complete the following two aggregate taxable capital calculations as applicable, and (x) 510 [X] (Yes)
Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation ..... + From 470 72,980,825.

Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Names of associated corporations or related partners having a permanent establishment in Canada

See attached

		Taxable Capital
Aggregate Taxable Capital 470 + 531	+ 531	0.
	= 540	72,980,825.

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the portion of the taxation year after September 30, 2001, is NIL.
Enter NIL in 523 in E1(d) or E2(b), as applicable.

If 540 above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the portion of the taxation year after September 30, 2001.

From 470 72,980,825. ÷ From 540 72,980,825. x 5,000,000 ..... = 541 5,000,000.
Transfer to Section E2(b)

Calculation 2

Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent establishment in Canada

Names of Canadian & Foreign associated corporations or related partners ...no permanent establishment in Canada

		Taxable Capital
Total Aggregate Taxable Capital 540 + 514	+ 514	0.
	= 520	72,980,825.

If 520 is greater than $2,000,000 and less than $3,200,000 and a portion of the taxation year is before October 1, 2001, the corporation must compute the following ratio.

From 470 72,980,825. ÷ From 520 0. = 521 .0000.
Transfer to Section E1(a) and/or (b) and/or (c) as applicable

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital at 520 is *$2,000,000 or less.*

Enter NIL in 550 and complete the return from that point.

continued on Page 13

Corporation's Legal Name: Oshawa PUC Networks Inc. | Ontario Corporations Tax Account No. (MOF): 1800157 | Taxation Year End: 2001-12-31 | DOLLARS ONLY

Capital Tax Calculation *continued from Page 12*

SECTION E

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital at 520 *exceeds $2,000,000.*

If the total aggregate taxable capital 520 exceeds **$2,000,000** but is **$3,200,000** or less, complete the following calculations and transfer the total From 508 to 543

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From 470 0. x .3000% = + 490 0.

Deduct: [$2,400,000 − From 520 0.] x 1.5% x From 521 .0000 = − 492 0.

If 2,400,000 − 520 is negative, enter NIL in 492

(504 = 490 − 492) = 504 0. x From 30 100.0000% (Ontario Allocation) x Days in taxation year after May 4, 1999 and before Jan 1, 2000 552 / ** 365 (366 if leap year) = + 505 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(b) From 470 0. x .3000% = + 490 0.

Deduct: [$2,800,000 − From 520 0.] x 0.75% x From 521 .0000 = − 493 0.

If 2,800,000 − 520 is negative, enter NIL in 493

(506 = 490 − 493) = 506 0. x From 30 100.0000% (Ontario Allocation) x Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 553 / ** 365 (366 if leap year) = + 507 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(c) From 470 0. x .3000% = + 490 0.

Deduct: [$3,200,000 − From 520 0.] x 0.5% x From 521 .0000 = − 495 0.

If 3,200,000 − 520 is negative, enter NIL in 495

(509 = 490 − 495) = 509 0. x From 30 100.0000% (Ontario Allocation) x Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 557 / ** 365 (366 if leap year) = + 522 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(d) Capital Tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose total aggregate taxable capital at 540 is $5,000,000 or less is NIL. Enter NIL ..... = + 523 0.

Total Capital Tax for the taxation year 505 + 507 + 522 + 523 ..... = 508 0.

Transfer to 543 *and complete the return from that point.*

E2. If the total aggregate taxable capital at 520 exceeds **$3,200,000** complete the following calculations and transfer the total From 508 to 543,

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From 470 72,980,825. x From 30 100.0000% (Ontario Allocation) x .3000% x Days in taxation year before Oct 1, 2001 555 / ** 365 (366 if leap year) ..... = + 502 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) From 470 72,980,825.

From 541 (section C) − 5,000,000.

= 471 67,980,825. x From 30 100.0000% (Ontario Allocation) x .3000% x Days in taxation year after Sept 30, 2001 560 / ** 365 (366 if leap year) = + 523 51,405.

Total Capital Tax for the taxation year 502 + 523 ..... = 508 51,405.

*** If floating taxation year, refer to Guide.***

Transfer to 543 *and complete the return from that point.*

Capital Tax *before application of specified credits* ..... = 543 51,405.

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* ..... − 546 0.

Capital Tax 543 − 546 ..... = 550 51,405.

Transfer to Page 18

continued on Page 14

Capital Tax *continued from page 13*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in 550 on page 13, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)

565 0. x 0.00% X From 30 ____% x 555 0 ÷ ** 0 (366 if leap year) = + 569 0.
Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year

570 0. x 571 0.00% X From 30 ____% x 555 0 ÷ ** 0 (366 if leap year) = + 574 0.
Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Sections II) 569 + 574 = 575 0.

*** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – 585 0.

Financial institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions 575 – 585 ..... = 586 0.
Transfer to 543 on Page13

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... 587 0. x 2% .... = 588 0.
Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588.)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – 589 0.

Premium Tax 588 – 589 ..... = 590 0.
Transfer to page 18

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ± 600 -4,013,774.
Transfer to page 16

Add:

Federal capital cost allowance	+ 601	702,433.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non allowable reserves. Balance beginning of year	+ 604	6,951,922.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	7,024,790.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.
Management fees, rents, royalties and similar payments to non-arms' length non-residents		

Number of Days in Taxation Year

			Days before May 2, 2000		Total Days				
612	0.	x 5 ÷ 15.5000 x	22	0	÷ 73	92	= + 630	0.
			Days after May 1, 2000 and before Jan 1, 2001		Total Days				
612	0.	x 5 ÷ 14.5000 x	24	0	÷ 73	92	= + 631	0.
			Days after Dec 31, 2000 and before Oct 1, 2001		Total Days				
	0.	x 5 ÷ 14.0000 x	26	0	÷ 73	92	= + 632	0.
			Days after Sept 30, 2001 and before Jan 1, 2003		Total Days				
612	0.	x 5 ÷ 12.5000 x	28	92	÷ 73	92	= + 633	0.
			Days after Dec 31, 2002 and before Jan 1, 2004		Total Days				
612	0.	x 5 ÷ 12.5000 x	31	0	÷ 73	92	= + 634	0.

Total add-back amount for Management fees, etc. 630 + 631 + 632 + 633 + 634 = 0. + 613 0.

Federal allowable business investment loss + 620 0.

Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* + 614 0.

Federal Scientific Research Expenses claimed in year from federal form T661 0.

Negative Ontario SR&ED Pool amounts from Ontario schedule 161 line 473 + 0.

= 0. + 615 0.

Subtotal of Additions 601 to 611 + 613 + 620 + 614 + 615 = 14,679,145. 640 14,679,145.
Transfer to page 16

continued on Page 16

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 15

Income (loss) for federal income tax purposes, per federal T2 SCH 1	From ± 600	-4,013,774.	
Subtotal of Additions	From + 640	14,679,145.	

Deduct:

Ontario capital cost allowance	+ 650	702,433.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	6,951,922.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	7,024,790.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario research and development super allowance *(Attach schedule)*	+ 660	0.
Government Assistance relating to provincial deductions for scientific research and experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	+ 674	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.

Ontario New Technology Tax Incentive (ONTTI) Gross-up
Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year 662 0.

ONTTI Gross-up deduction calculation:

[From 662 0. x Gross-up of CCA 100 / From 30 .0000 Ontario Allocation] − From 662 0. = 663 0.

Workplace Child Care Tax Incentive: (***Applies*** to qualifying expenditures incurred after May 5, 1998.)

Qualifying expenditures: [665 0. x 30.00% x 100 / From 30 100.0000 Ontario Allocation] = 666 0.

Workplace Accessibility Tax Incentive: (***Applies*** to qualifying expenditures incurred after July 1, 1998.)

Qualifying expenditures: [667 0. x 100.00% x 100 / From 30 100.0000 Ontario Allocation] = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 0. x 30.00% x 100 / From 30 100.0000 Ontario Allocation] = 671 0.

Educational Technology Tax Incentive: (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: [672 0. x 15.00% x 100 / From 30 100.0000 Ontario Allocation] = 673 0.

Ontario allowable business investment loss	+ 678	0.
Ontario Scientific Research Expenses claimed in the year from Ontario form CT161	+ 679	0.
Total of other deductions allowed by Ontario *(Attach schedule)*	+ 664	0.

Subtotal of Deductions
650 to 660 + 674 + 661 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 664 = 14,679,145. 680 14,679,145.

Net income (loss) for Ontario Purposes 600 + 640 − 680 = 690 -4,013,774.

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
ance at Beginning of Year	700 (2) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 4,013,774	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 4,013,774	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 0	715 (4) 0	724 0	734 (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 18 0	716 (2) to Page 18 0	726 (2) to Page 18 0	736 (2) to Page 18 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 4,013,774	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) In the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 1993-09-30				850 0	870 0
801 1994-09-30				851 0	871 0
802 1995-09-30				852 0	872 0
803 1996-09-30	820 0	830 0	840 0	853 0	873 0
804 1997-09-30	821 0	831 0	841 0	854 0	874 0
805 1998-09-30	822 0	832 0	842 0	855 0	875 0
806 1999-09-30	823 0	833 0	843 0	856 0	876 0
807 2000-09-30	824 0	834 0	844 0	857 0	877 0
808 2001-09-30	825 0	835 0	845 0	858 0	878 0
2001-12-31	826 4,013,774	836 0	846 0	859 0	879 0
Total	829 4,013,774	839 0	849 0	869 0	889 0

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2001-12-31

DOLLARS ONLY

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of ses carried back.

i, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.

- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Ministry of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Predecessor Ontario Corporation's Tax Account No. (MOF)		Taxation Year Ending (year month day)	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss				910 4,013,774	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income							
i) 3rd preceding		901		911 0	921 0	931 0	941 0
ii) 2nd preceding		902		912 0	922 0	932 0	942 0
iii) 1st preceding		903		913 0	923 0	933 0	943 0
Total loss to be carried back				From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward				919 4,013,774	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320		0.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		51,405.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		51,405.
Subtract: Payments	– 960		51,637.
Capital Gains Refund (s.48)	– 965		0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	– 985		0.
Specified Tax Credits *(Refer to Guide)*	– 955		0.
Other (specify) _____	–		0.
Balance	= 970		-232.
If payment due Enclosed *	990		0.
If overpayment: Refund *(Refer to Guide)*	= 975		232.
Apply to (year month day)	980		0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the MINISTER OF FINANCE*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order.

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

Luc Perron

Title

CFO

Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Loans

Due to City of Oshawa	23,063,665.00
Customer deposits	3,397,205.00
	0.00
Regulatory liability	240,981.00
Other (Development Fund/Deferred Revenue)	908,197.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	27,610,048.00

Prepaid Expense		52,148.00
Securities Held for Deposit		12,725.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	64,873.00

UCC vs NBV

UCC per Ont Sch. 8		-53,040,452.00
NBV per F/S		38,316,384.00
less: land		-98,896.00
less: WIP		-2,641,774.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-17,464,738.00

Non-deductible reserves

Employee future benefits		6,487,569.00
Employee sick leave benefits		537,221.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	7,024,790.00

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year
Oshawa PUC Networks Inc.	1800157	2001-12-31

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

DOLLARS ONLY

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 -4,174,650.

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes	+ 2101	0.	
Provision for deferred income taxes (credits)	+ 2102	0.	
Equity income from corporations	+ 2103	0.	
Share of partnership(s)/joint venture(s) income	+ 2104	0.	
Dividends received/receivable deductible under fed.s.112	+ 2105	0.	
Dividends received/receivable deductible under fed.s.113	+ 2106	0.	
Dividends received/receivable deductible under fed.s.83(2)	+ 2107	0.	
Federal Part VI.1 tax paid on dividends declared and paid after May 5, 1997, under fed.s.191.1(1) 0. X 9/4	+ 2108	0.	
Subtotal	=	0.	- 2109 0.

Add (to extent reflected in net income/loss):

Provision for current taxes	+ 2110	40,000.	
Provision for deferred income taxes (debits)	+ 2111	0.	
Equity losses from corporations	+ 2112	0.	
Share of partnership(s)/joint venture(s) losses	+ 2113	0.	
Dividends that have been deducted to arrive at net income per Financial Statements. ***Applies*** to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+ 2114	0.	
Subtotal	=	40,000.	+ 2115 40,000.

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	+ 2116	0. or	- 2117	0.
** Fed.s.85.1	+ 2118	0. or	- 2119	0.
** Fed.s.97	+ 2120	0. or	- 2121	0.
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	+ 2122	0. or	- 2123	0.
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	+ 2124	0. or	- 2125	0.
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	+ 2126	0. or	- 2127	0.
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income	- 2150	0.		

Subtotal (Additions)	= 0.	+ 2128	0.
Subtotal (Subtractions)	= 0.	- 2129	0.
** Other adjustments	± 2130	0.	
Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130	= 2131	-4,134,650.	
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss	± 2132	0.	
Adjusted net income (loss) (if loss, transfer to 2202 *in Schedule B: Continuity of CMT Losses Carried Forward, Page 20.)*	= 2133	-4,134,650.	

Deduct: * CMT losses: pre-1994 Loss	+ From 2210	0.	
* CMT losses: other eligible losses	+ From 2211	0.	
CMT losses applied cannot exceed adjusted net income or increase a loss	= 0.	- 2134	0.

Retain calculations. Do not submit with this tax return.

CMT Base = 2135 0.

Transfer to CMT Base on Page 8

Corporation's Legal Name: Oshawa PUC Networks Inc.
Ontario Corporations Tax Account No. (MOF): 1800157
Taxation Year End: 2001-12-31

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)				+ 2201	0.
Add: Current year's losses		+ 2202	4,134,650.		
Losses from predecessor corporations on amalgamation (3)		+ 2203	0.		
Losses from predecessor corporations on wind-up (3)		+ 2204	0.		
Amalgamation (x) 2205 ☐ Yes Wind-up (x) 2206 ☐ Yes					
Subtotal		=	4,134,650.	+ 2207	4,134,650.
Adjustments (attach schedule)				± 2208	0.
CMT losses available 2201 + 2207 ± 2208				= 2209	4,134,650.
Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income		+ 2210	0.		
Other eligible losses utilized during the year to reduce adjusted net income (4)		+ 2211	0.		
Losses expired during the year		+ 2212	0.		
Subtotal		=	0.	- 2213	0.
Balances at End of Year (5) 2209 - 2213				= 2214	4,134,650.

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	2001-12-31	2260 4,134,650	2280 0
2241		2261 0	2281 0
2242		2262 0	2282 0
2243		2263 0	2283 0
2244		2264 0	2284 0
2245		2265 0	2285 0
2246		2266 0	2286 0
2247		2267 0	2287 0
2248		2268 0	2288 0
		2269 0	2289 0
Totals		2270 4,134,650	2290 0

The sum of amounts 2270 + 2290 *must equal amount in* 2214.

DOLLARS ONLY

Corporate Minimum Tax (CMT)

Schedule D: Continuity of CMT Credit Carryovers

Balance at Beginning of year (1) ..... + 2301 0.

Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL) ..... + From 280 0.

CMT Credit Carryovers from predecessor corporations (2) ..... + 2302 0.

Amalgamation (x) 2303 ☐ Yes Wind-up (x) 2304 ☐ Yes

Subtotal ..... = 0. + 2305 0.

Adjustments *(Attach schedule)* ..... ± 2306 0.

CMT credit carryover available 2301 + 2305 ± 2306 ..... = 2307 0.

Transfer to Page 8

Subtract: CMT Credit utilized during the year to reduce income tax (Page 8) + From 310 0.

CMT Credit expired during the year ..... + 2308 0.

Subtotal ..... = 0. – 2309 0.

Balance at End of Year (3) 2307 – 2309 ..... = 2310 0.

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in 2310 must equal sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	2001-12-31	2360 0	2380 0
2341		2361 0	2381 0
2342		2362 0	2382 0
2343		2363 0	2383 0
2344		2364 0	2384 0
2345		2365 0	2385 0
2346		2366 0	2386 0
2347		2367 0	2387 0
2348		2368 0	2388 0
		2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390 *must equal amount in* 2310.

Name of Associated oration	Ontario Corp. Tax Number	Taxation Year end	Taxable Capital	Total Assets (Note 1)	Total Revenue (Note 1)	Taxable Income (Note 2)	No Perm Estab in Canada
Oshawa Power and Utilities Cor			0	23,063,665	0	0	
TOTALS			0	23,063,665	0	0	

Note 1: Enter total assets and total revenues only if "Corporate Minimum Tax (CMT)" is applicable.

Note 2: Enter Taxable Income amounts only if "Surtax on a CCPC" is applicable (i.e. IDSBC is applicable).

Ontario CT23 Supplementary

CCH Canadian Ltd. - Corporate Taxprep, 2002 CT23, ver. 1-2003

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	47,784,000	2,839,664	0	0	50,623,664	1,419,832	49,203,832	4	0	0	496,082	50,127,582
8	625,000	119,562	0	0	744,562	59,781	684,781	20	0	0	34,520	710,042
10	1,710,000	398,374	0	0	2,108,374	199,187	1,909,187	30	0	0	144,366	1,964,008
12	75,000	19,285	0	0	94,285	9,642	84,643	100	0	0	21,335	72,950
42	126,000	0	0	0	126,000	0	126,000	12	0	0	3,811	122,189
13	46,000	0	0	0	46,000	0	46,000		0	0	2,319	43,681
Total	50,366,000	3,376,885	0	0	53,742,885	1,688,442	52,054,443		0	0	702,433	53,040,452
								Enter in boxes	[650]	[650]	[650] on the CT23	

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

ONTARIO CONSENT FORM

This form authorizes the Ontario Ministry of Finance to release confidential client information designated third-party representative in matters pertaining to applicable legislation.

- Complete Parts 1, 2, and 5 to name a representative
- Complete Parts 3, 4, and 5 to cancel the consent provided for an existing representative
- Complete all the parts if you want to both name a new representative and cancel an existing representative

Part 1 - Consent for the release of information to a representative

Taxpayer's name:
Oshawa PUC Networks Inc. PILs

Ontario Corporation
Tax Acccount Number: 1800157

Taxpayer's address 1:..... 100 Simcoe Street South
Taxpayer's address 2:.....
City:..... Oshawa
Province:..... ON
Postal code:..... L1H-7M7

I consent to the release of confidential information about my Corporation Tax Return by the Ontario Ministry of Finance to the representative named below.

Representative's name: ERNST & YOUNG LLP
(If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual)
Address 1:.....
Address 2:.....

If you named a firm as your representative and want to specify a particular individual of that firm, enter that individual's first and last name.

Representative's name

416-864-1234
Representative's telephone number

416-864-1174
Representative's fax number

Part 2 - Details of consent

I request that this consent apply to all years. X OR

I request that this consent apply only to the following years:

1. All year-ends up to:
Year Month Day

2. All year-ends beginning in: and all years after that.
Year Month Day

3. The following year-ends only:
Year Month Day Year Month Day

Year Month Day Year Month Day

Part 3 - Cancellation of the consent for the release of information to a representative

Taxpayer's name:
awa PUC Networks Inc. PILs
Ontario Corporation
Tax Acccount Number: 1800157
Taxpayer's address 1:..... 100 Simcoe Street South
Taxpayer's address 2:.....
City:..... Oshawa
Province:..... ON
Postal code:..... L1H-7M7

I cancel all previous consents for all representatives. OR

I cancel my consent for the release of confidential information about my Corporation Tax Return by the Ontario Ministry of Finance to the representative named below.

Representative's name:
(If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)
Address 1:.....
Address 2:.....

If you named a firm as your representative and want to cancel the consent with respect to a particular individual of that firm, enter that individual's first and last name.

Representative's name

Representative's telephone number

Representative's fax number

rt 4 - Details of cancellation of consent

I request that this cancellation of consent apply to all years. OR

I request that this cancellation of consent apply only to the following years:

1. All year-ends up to:
Year Month Day

2. All year-ends beginning in: and all years after that.
Year Month Day

3. The following year-ends only:
Year Month Day Year Month Day

Year Month Day Year Month Day

Part 5 - Signature

Print your name Luc Perron Title CFO
This form must be signed by an owner, partner, director, trustee, or officer.

Sign here_____ Date
Year Month Day

WE WILL NOT PROCESS THIS FORM IF IT IS NOT SIGNED

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

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

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *2001 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and the *General Index of Financial Information* (GIFI) to your tax services office or to the tax centre that serves the corporation. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business Number (BN) 001 891725210RC0001

CLIENT COPY

Corporation's name

002 Oshawa PUC Networks Inc. PILs

Has the corporation changed its name since the last time we were notified? ... 003 1 Yes [ ] 2 No [X]

If *yes*, do you have a copy of the articles of amendment? ..... 004 1 Yes [ ] 2 No [ ]

Address of head office

Has the address changed since the last time we were notified? ..... 010 1 Yes [ ] 2 No [X]

011 100 Simcoe Street South

012

City	Province, territory, or state
015 Oshawa	016 ON
Country (other than Canada)	**Postal Code/ZIP code**
017	018 L1H-7M7

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes [ ] 2 No [X]

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

031 100 Simcoe Street South

032

City	Province, territory, or state
035 Oshawa	036 ON
Country (other than Canada)	**Postal Code/ZIP code**
037	038 L1H-7M7

040 Type of corporation at the end of the taxation year

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

If the type of corporation changed during the taxation year, please provide the effective date of the change ..... 043 _____ YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year end
060 2001-10-01 YYYY/MM/DD	061 2001-12-31 YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? ..... 063 1 Yes [ ] 2 No [X]

If *yes*, provide the date control was acquired ..... 065 _____ YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? ..... 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? ..... 070 1 Yes [ ] 2 No [X]
Amalgamation? ..... 071 1 Yes [ ] 2 No [X]

If *yes*, please provide Schedule 24

Has there been a windup of a subsidiary under section 88 during the current taxation year?

If *yes*, please provide Schedule 24 ..... 072 1 Yes [ ] 2 No [X]

Is this the final taxation year before amalgamation? ..... 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? ..... 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If *no*, give the country of residence.

081

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

If *yes*, please provide Schedule 91 ..... 082 1 Yes [ ] 2 No [X]

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

085
1 [ ] Exempt under 149(1)(e) or (l)
2 [ ] Exempt under 149(1)(j)
3 [ ] Exempt under 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
097					

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not print these schedules.
Schedules - Answer the following questions. For each *yes* response, attach to the T2 return the schedule that applies.

Guide item			Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
8	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160	X	23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	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
33	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
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	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?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's-length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		—
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada or a province, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204	X	4
131	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
?	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
149	Is the corporation an investment corporation or a mutual fund corporation?	218		18
130	Was the corporation carrying on business in Canada while not a Canadian corporation?	220		20 *
117	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
154	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
110	Does the corporation have any Canadian manufacturing and processing profits?	227		27
120	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
123	Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
123	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
123	Is the corporation claiming a surtax credit?	237		37
127	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
127	Is the corporation claiming a Part I tax credit?	242		42
128	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
128	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
124	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
127	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
)	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40
127	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
151	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

Corporation's name		Business Number	Taxation year-end
Oshawa PUC Networks Inc.	PILs	891725210RC0001	2001-12-31

Attachments - continued from page 2

Guide item		Yes	Schedule
129	Is the corporation subject to Part XIII.1 tax?		92 *
152	Is the corporation claiming a film or video production services tax credit refund?		T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		T1134-A
44	Did the corporation have any controlled foreign affiliates?		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?		T1135
44	Did the corporation transfer or loan property to a non-resident trust?		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		T1174
—	Is the corporation claiming the BC mining exploration tax credit?		421
—	Is the corporation claiming the BC SR&ED tax credit?		T666

Additional information

Is the corporation inactive?	280	1 Yes		2 No	X
Has the major business activity changed since the last return was filed? (enter *yes* for first time filers)	281	1 Yes		2 No	X

What is the corporation's major business activity? (Only complete if *yes* was entered at line 281.) 282 _____

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

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

284	Utility Distribution	285 100 %
286		287 0 %
288		289 0 %

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes		2 No	X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes		2 No	X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI		300	-4,013,774 A	
Deduct: Charitable donations from Schedule 2	311	0		
Gifts to Canada or a province from Schedule 2	312	0		
Cultural gifts from Schedule 2	313	0		
Ecological gifts from Schedule 2	314	0		
Taxable dividends deductible under section 112, 113, or subsection 138(6) from Schedule 3	320	0		
Part VI.1 tax deduction from Schedule 43	325	0		
Non-capital losses of preceding taxation years from Schedule 4	331	0		
Net-capital losses of preceding taxation years from Schedule 4	332	0		
Restricted farm losses of preceding taxation years from Schedule 4	333	0		
Farm losses of preceding taxation years from Schedule 4	334	0		
Limited partnership losses of preceding taxation years from Schedule 4	335	0		
Taxable capital gains or taxable dividends allocated from a central credit union	340	0		
Prospector's and grubstaker's shares	350	0		
Subtotal		0	0 B	
Subtotal (amount A minus amount B)			0 C	
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions		355	0 D	
Taxable income (amount C plus amount D)		360	0	
Income exempt under paragraph 149(1)(t)		370	0	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			0 Z	

Small business deduction

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

Income from active business carried on in Canada from Schedule 7	400	0	A
Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and **minus** any amount that, because of federal law is exempt from Part I tax	405	0	B
Business limit (for associated corporations, enter business limit from Schedule 23)	410	50,411	C

Reduction to business limit:

Amount C 50,411 x 415 *** 0 D / 11,250 = 0 E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	50,411	F
Small business deduction - 16.00% of the least of amounts A, B, C, and F (enter amount G on line 9 of page 7)	430	0	G

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on 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 at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax for preceding year** - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)	50,411 x 3/2 =	75,617	A
Net active business income (amount from line 400) *		0	B
Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of the maximum deductible amount at line 636** on page 7, and minus any amount that, because of federal law is exempt for Part I Tax	0 C		
Deduct: Aggregate investment income (amount from line 440 of page 6)	0 D		
Amount C minus amount D (if negative, enter "0")	0	0	E
The least of amounts A, B, or E above		0	F
Amount Z from Part 9 of Schedule 27	0 x 100/7 = 0		G
Amount QQ from Part 13 of Schedule 27	0 H		
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 = 0		I
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	0 J		
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction	0 K		
Total of amounts G, H, I, J, and K	0	0	L
Amount F minus amount L (if negative, enter "0")		0	M

Amount M 0 x (Number of days in the taxation year after December 31, 2000 / Number of days in the taxation year) 92/92 = 0 N

Accelerated tax reduction - 7% of amount N (enter amount O on line 637 of page 7)	0	O

* If the amount at line 450 of Schedule 7 is positive, specified partnerships need to use Schedule 70 to calculate net active business income.

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

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 or amount Z of page 3			0 A
Amount Z from Part 9 of Schedule 27	0 x 100/7	0 B	
Amount QQ from Part 13 of Schedule 27		0 C	
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =	0 D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 E	
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction on page 4		0 F	
Aggregate investment income form line 440 of page 6		0 G	
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0 H	
Total of amounts B, C, D, E, F, G, and H		0	0 I
Amount A minus amount I (if negative, enter "0")			0 J

Amount J	0 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	92/92 x 1% =		0 K
Amount J	0 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0/92 x 3% =		0 L
Amount J	0 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0/92 x 5% =		0 M
Amount J	0 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0/92 x 7% =		0 N

General tax reduction for Canadian-controlled private corporations - Total of amounts K, L, M and N (enter amount O on line 638 of page 7) ..... 0 O

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 or amount Z of page 3			0 A
Amount Z from Part 9 of Schedule 27	0 x 100/7	0 B	
Amount QQ from Part 13 of Schedule 27		0 C	
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =	0 D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 E	
Total of amounts B, C, D, and E		0	0 F
Amount A minus amount F (if negative, enter "0")			0 G

Amount G	0 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	92/92 x 1% =		0 H
Amount G	0 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0/92 x 3% =		0 I
Amount G	0 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0/92 x 5% =		0 J
Amount G	0 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0/92 x 7% =		0 K

General tax reduction - Total of amounts H, I, J and K (enter amount L on line 639 of page 7) ..... 0 L

Corporation's name		Business Number	Taxation year-end
Oshawa PUC Networks Inc.	PILs	891725210RC0001	2001-12-31

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7) .... 440 0 x 26 2/3% = ... 0 A

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

Foreign investment income (amount O from Part 1 of Schedule 7) ..... 445 0 x 9 1/3% = ... 0

(if negative, enter "0") 0 0 B

Amount A minus amount B (if negative, enter "0") ..... 0 C

Taxable income from line 360 on page 3 0

Deduct:

Least of amounts on lines 400, 405, 410, and 425 on page 4 ... 0

Foreign non-business income tax credit from line 632 of page 7 ..... 0 x 25/9 = 0

Foreign business income tax credit from line 636 of page 7 ..... 0 x 10/4 = 0

0 0

0 x 26 2/3% = 0 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 0

Deduct corporate surtax from line 600 of page 7 0

Net amount ..... 0 0 E

Refundable portion of Part I tax - The least of amounts C, D, and E ..... 450 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 0

Deduct dividend refund for the previous taxation year 465 0

0 0 A

Add the total of:

Refundable portion of Part I tax from line 450 above 0

Total Part IV tax payable from line 360 on page 2 of Schedule 3 0

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480 0

0 0 B

Refundable dividend tax on hand at the end of the taxation year - Amount A plus amount B 485 0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 .... 0 x 1/3 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... 0 B

Dividend refund - Lesser of amounts A and B (enter this amount on line 784 of page 8) 0

Corporation's name		Business Number	Taxation year-end
Oshawa PUC Networks Inc.	PILs	891725210RC0001	2001-12-31

Part I tax

Base amount of Part I tax - 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 0 A

Corporate surtax calculation

Base amount from line A above 0 1

Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 0 2

Investment corporation deduction from line 620 below 0 3

Federal logging tax credit from line 640 below 0 4

Federal qualifying environmental trust tax credit from line 648 below 0 5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b, and c below on line 6:

28.00 % of taxable income from line 360 of page 3 ..... 0 a

28.00 % of taxed capital gains ..... 0 b

Part I tax otherwise payable ..... 0 c

(line A **plus** lines C and D **minus** line F) 0 6

Total of lines 2 to 6 ..... 0 7

Net amount (line 1 minus line 7) 0 8

Corporate surtax - 4.00% of the amount on line 8 ..... 600 0 B

Recapture of investment tax credit from line XX in Part 16 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6 ..... 0 i

Taxable income from line 360 on page 3 0

Deduct:

The least of amounts on lines 400, 405, 410, and 425 of page 4 .. 0

Net amount ..... 0 0 ii

Refundable tax on CCPC's investment income - 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Deduct:

Subtotal (add lines A, B, C, and D) 0 E

Small business deduction from line 430 of page 4 ..... 0 9

Federal tax abatement 608 0

Manufacturing and processing profits deduction from amount BB or amount VV of Schedule 27 ..... 616 0

Investment corporation deduction 620 0

(taxed capital gains 624 0)

Additional deduction - credit unions from Schedule 17 ..... 628 0

Federal foreign non-business income tax credit from Schedule 21 ..... 632 0

Federal foreign business income tax credit from Schedule 21 ..... 636 0

Accelerated tax reduction from amount O of page 4 ..... 637 0

General tax reduction for CCPCs from amount O of page 5 ..... 638 0

General tax reduction from amount L of page 5 ..... 639 0

Federal logging tax credit from Schedule 21 ..... 640 0

Federal political contribution tax credit 644 0

Federal political contributions 646 0

Federal qualifying environmental trust tax credit 648 0

Investment tax credit from Schedule 31 ..... 652 0

Subtotal 0 0 F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) ..... 0 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	25,808
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
	Total federal tax	25,808

Add provincial and territorial tax:

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

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0	
		0	0
	Total tax payable	770	25,808 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0	
Dividend refund from page 6	784	0	
Federal capital gains refund from Schedule 18	788	0	
Federal qualifying environmental trust tax credit refund	792	0	
Canadian film or video production tax credit refund from Form T1131	796	0	
Film or video production services tax credit refund from Form T1177	797	0	
Tax withheld at source	800	0	
Total payments on which tax has been withheld 801		0	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0	
Provincial and territorial capital gains refund from Schedule 18	808	0	
Provincial and territorial refundable tax credits from Schedule 5	812	0	
Royalties deductible under Syncrude Remission Order 815		0	
Tax remitted under Syncrude Remission Order	816	0	
Tax instalments paid	840	25,883	
Refund code 894 1 Overpayment 75	Total credits	890 25,883	25,883 B
	Balance (line A minus line B)		-75

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 Perron (Last name in block letters) 951 Luc (First name in block letters) 954 CFO (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 further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 Date (yyyy/mm/dd) Signature of an authorized signing officer of the corporation 956 905-723-4626 Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below 957 1 Yes ☒ 2 No ☐

958 Name in block letters 959 Telephone number

Language of correspondence - Langue de correspondance

990 Please indicate the language of your choice.
Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

- Identification of the corporation (Imported Data)

ne of the corporation.....
Business Number.....
Address.....
Province, Territory.....
Taxation year end.....
City.....
Postal code.....

Balance Sheet

GIFI	Account	Description		Amount	Prior Year
Assets					
1599		Total current assets	+	29,914,931	0
2008		Total tangible capital assets	+	89,594,753	0
2009		Total accumulated amortization of tangible capital assets	-	51,278,369	0
2178		Total intangible capital assets	+	0	0
2179		Total accumulated amortization of intangible capital assets	-	0	0
2589		Total long term assets	+	12,725	0
2590		Assets held in trust	+	0	0
2599		**Total Assets** (mandatory field)	=	68,244,040	0
Liabilities					
3139		Total current liabilities		12,672,672	0
3460		Total long term liabilities		34,634,838	0
3470		Subordinated debt		0	0
3499		Amounts held in trust		0	0
		Total liabilities (mandatory field)		47,307,510	0
Shareholder equity					
3620		**Total shareholder equity** (mandatory field)		20,936,530	0
3640		**Total Liabilities and Shareholder Equity**		68,244,040	0
3849		**Retained Earnings/Deficit - End** (mandatory field)		-2,127,136	0

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Current Assets

GIFI	Account	Description		Amount	Prior year
Cash and deposits					
1000	*	Cash and deposits		14,115,918	0
1001		Cash		0	0
1002		Deposits in Canadian banks and institutions - Canadian currency		0	0
1003		Deposits in Canadian banks and institutions - Foreign currency		0	0
1004		Deposits in foreign banks - Canadian currency		0	0
1005		Deposits in foreign banks - foreign currency		0	0
1006		Credit union central deposits		0	0
1007		Other cash like instruments		0	0
		Cash and deposits	+	14,115,918	0
Accounts receivable					
1060	*	Accounts receivable		0	0
1062		Trade accounts receivable		8,303,565	0
1064		Trade accounts receivable from related parties		0	0
1066		Taxes receivable		0	0
1067		Interest receivable		0	0
1068		Holdbacks receivable		0	0
[illegible]		Leases receivable		0	0
1071		Accounts receivable from employees		0	0
1073		Amounts receivable from members of NPOs		0	0
		Accounts receivable	+	8,303,565	0
Allowance for doubtful accounts					
1061	*	Allowance for doubtful accounts		0	0
1063		Allowance for doubtful trade accounts receivable		0	0
1065		Allowance for doubtful trade accounts receivable related parties		0	0
1070		Allowance for doubtful amounts contained in leases receivable		0	0
1072		Allowance for doubtful accounts receivable from employees		0	0
		Allowance for doubtful accounts	-	0	0

Inventories

1120	*	Inventories	1,426,782	0
1121		Inventory of goods for sale	0	0
1122		Inventory parts and supplies	0	0
1123		Inventory properties	0	0
1124		Inventory of aggregates	0	0
1125		Work in progress	0	0
1126		Raw materials	0	0
1127		Inventory of securities	0	0
		Inventories	+ 1,426,782	0

Short term investments

1180	*	Short term investments	0	0
1181		Canadian term deposits	0	0
1182		Canadian shares	0	0
1183		Canadian bonds	0	0
1184		Canadian treasury bills	0	0
1185		Securities purchased under resale agreements	0	0
1186		Other short term Canadian investments	0	0
1187		Short term foreign investments	0	0
		Short term investments	+ 0	0

Loans and notes receivable

1240	*	Loans and notes receivable	0	0
1241		Demand loans receivable	0	0
1242		Other loans receivable	0	0
1243		Notes receivable	0	0
1244		Mortgages receivable	0	0
		Loans and notes receivable	+ 0	0

Due from shareholder(s)/director(s)

1300	*	Due from shareholder(s)/director(s)	0	0
1301		Due from individual shareholder(s)	0	0
1302		Due from corporate shareholder(s)	0	0
1303		Due from director(s)	0	0
		Due from shareholder(s)/director(s)	+ 0	0

1360		Investment in joint venture(s)/partnership(s)	+ 0	0
1380		Due from joint venture(s)/partnerships(s)	+ 0	0

Due from/investment in related parties

1400	*	Due from/investment in related parties	0	0
1401		Demand notes from related parties	0	0
1402		Interest receivable from related parties	0	0
13		Loans/advances due from related parties	0	0
		Due from/investment in related parties	+ 0	0

1460		Customers' liability under acceptances	+ 0	0

Other current assets

1480	*	Other current assets	6,016,518	0
1481		Deferred income taxes	0	0
1482		Accrued investment income	0	0
1483		Taxes recoverable/refundable	0	0
1484		Prepaid expenses	0	0
1485		Drilling advances	52,148	0
1486		Security/tender deposits	0	0
		Other current assets	+ 6,068,666	0

1599		**Total Current Assets**	= 29,914,931	0

eneric Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Tangible Capital Assets

GIFI	Account	Description		Amount	Prior year
1600		Land	+	98,896	0
1601		Land improvements	+	0	0
		Depletable assets			
1620	*	Depletable assets		0	0
1622		Petroleum and natural gas properties		0	0
1624		Mining properties		0	0
1626		Deferred exploration and development charges		0	0
1628		Quarries		0	0
1630		Gravel pits		0	0
1632		Timber limits		0	0
		Depletable assets	+	0	0
		Buildings			
1680	*	Buildings		533,720	0
1682		Manufacturing and processing plant		0	0
1684		Buildings under construction		0	0
		Buildings	+	533,720	0
		Machinery, equipment, furniture and fixtures			
1740	*	Machinery, equipment, furniture and fixtures		1,711,711	0
1742		Motor vehicles		3,388,695	0
1744		Tools and dies		0	0
1746		Construction and excavating equipment		0	0
1748		Forestry and logging equipment		0	0
1750		Fishing gear and nets		0	0
1752		Mining equipment		0	0
1754		Oil and gas systems		0	0
1756		Production equipment for resource industries		0	0
1758		Production equipment for other than resource industries		0	0
1760		Exploration equipment		0	0
1762		Shipping equipment		0	0
1764		Ships and boats		0	0
1766		Aircraft		0	0
1768		Signs		0	0

Machinery, equipment, furniture and fixtures (cont'd)

1770	Small tools		0	0
1772	Radio and communication equipment		93,425	0
1774	Computer equipment/software		1,478,062	0
1776	Musical instruments		0	0
1778	Satellites		0	0
1780	Earth stations		0	0
1782	Machinery and equipment under construction		2,641,774	0
1783	Transportation equipment		79,014,696	0
1785	Other machinery and equipment		0	0
1787	Furniture and fixtures		600,948	0
	Machinery, equipment, furniture and fixtures	+	88,929,311	0

Other tangible capital assets

1900	* Other tangible capital assets		0	0
1902	Logging roads		0	0
1904	Asphalt and parking areas		0	0
1906	Wharves		0	0
1908	Fences		0	0
1910	Capital leases - buildings		0	0
1912	Capital leases - equipment		0	0
1914	Capital leases - vehicles		0	0
1916	Capital leases - others		0	0
1918	Leasehold improvements		0	0
1920	Other capital assets under construction		32,826	0
1921	Campsites		0	0
	Other tangible capital assets	+	32,826	0

2008	**Total Tangible Capital Assets**	=	89,594,753	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Accumulated Amortization of Tangible Capital Assets

GIFI	Account	Description		Amount	Prior year
1602		Land improvements	+	0	0
		Accumulated amortization of depletable assets			
1621	*	Depletable assets		0	0
1623		Petroleum and natural gas properties		0	0
1625		Mining properties		0	0
1627		Deferred exploration and development charges		0	0
1629		Quarries		0	0
1631		Gravel pits		0	0
1633		Timber limits		0	0
		Accumulated amortization of depletable assets	+	0	0
		Accumulated amortization of buildings			
1681	*	Buildings		195,228	0
1683		Manufacturing and processing plant		0	0
		Accumulated amortization of buildings	+	195,228	0
		Accumulated amortization of machinery, equipment, furniture and fixtures			
1741	*	Machinery, equipment, furniture and fixtures		1,109,723	0
1743		Motor vehicles		2,629,614	0
1745		Tools and dies		0	0
1747		Construction and excavating equipment		0	0
1749		Forestry and logging equipment		0	0
1751		Fishing gear and nets		0	0
1753		Mining equipment		0	0
1755		Oil and gas systems		0	0
1757		Production equipment for resource industries		0	0
1759		Production equipment for other than resource industries		0	0
1761		Exploration equipment		0	0
1763		Shipping equipment		0	0
1765		Ships and boats		0	0
1767		Aircraft		0	0
1769		Signs		0	0
1771		Small tools		0	0
1773		Radio and communication equipment		0	0
1775		Computer equipment/software		1,636,659	0
1777		Musical instruments		0	0
1779		Satellites		0	0
1781		Earth stations		0	0
1784		Transportation equipment		45,183,470	0
1786		Other machinery and equipment		0	0
1788		Furniture and fixtures		490,849	0
		Accumulated amortization of machinery, equipment, furniture and fixtures	+	51,050,315	0

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: PILs Sch. 2009
2001-12-31

Accumulated amortization of other tangible capital assets

1901	*	Other tangible capital assets	0	0
1903		Logging roads	0	0
[illegible]		Asphalt and parking areas	0	0
[illegible]		Wharves	0	0
1909		Fences	0	0
1911		Capital leases - buildings	0	0
1913		Capital leases - equipment	0	0
1915		Capital leases - vehicles	0	0
1917		Capital leases - others	0	0
1919		Leasehold improvements	32,826	0
1922		Campsites	0	0
		Accumulated amortization of other tangible capital assets	+ 32,826	0

2009		**Total Accumulated Amortization of Tangible Capital Assets**	= 51,278,369	0

* Generic Item

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Long Term Assets

GIFI		Account Description		Amount	Prior year
Due from shareholder(s)/director(s)					
2180	*	Due from shareholder(s)/director(s)		0	0
2181		Due from individual shareholder(s)		0	0
2182		Due from corporate shareholder(s)		0	0
2183		Due from director(s)		0	0
		Due from shareholder(s)/director(s)	+	0	0
2190		Due from members	+	0	0
2200		Investment in joint venture(s)/partnership(s)	+	0	0
2220		Due from joint venture(s)/partnership(s)	+	0	0
Due from/investment in related parties					
2240	*	Due from/investment in related parties		0	0
2241		Due from/investment in Canadian related parties		0	0
2242		Shares in Canadian related corporations		0	0
2243		Loans/advances to Canadian related corporations		0	0
2244		Investment in Canadian related corporations at cost		0	0
15		Investment in Canadian related corporations at equity		0	0
46		Due from/investment in foreign related parties		0	0
2247		Shares in foreign related corporations		0	0
2248		Loans/advances to foreign related corporations		0	0
2249		Investment in foreign related corporations at cost		0	0
2250		Investment in foreign related corporations at equity		0	0
		Due from/investment in related parties	+	0	0
2280		Investment in co-tenancy	+	0	0

Long term investments

2300	*	Long term investments	0	0
2301		Foreign shares	0	0
2302		Other types of foreign investments	0	0
2303		Canadian shares	0	0
2304		Government of Canada debt	0	0
2305		Canadian, provincial and municipal government debt	0	0
2306		Canadian corporate bonds and debentures	0	0
2307		Debt securities	0	0
2308		Equity securities	0	0
2309		Securities purchased under resale agreements	0	0
2310		Central credit union shares	0	0
2311		Other Canadian long term investments	0	0
		Long term investments	+ 0	0

Long term loans

2360	*	Long term loans	0	0
2361		Mortgages	0	0
2362		Personal and credit card loans	0	0
2363		Business and government loans	0	0
2364		Line of credit	0	0
		Long term loans	+ 0	0

Other long term assets

2420	*	Other long term assets	12,725	0
2421		Deferred income taxes	0	0
2422		Deferred pension charges	0	0
2423		Deferred unrealized exchange losses	0	0
2424		Other deferred items/charges	0	0
2426		Reserve fund	0	0
2427		Cash surrender value of life insurance	0	0
		Other long term assets	+ 12,725	0

2425		Accumulated amortization of deferred charges	- 0	0

2589		**Total Long Term Assets**	= 12,725	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Current Liabilities

GIFI	Account	Description		Amount	Prior year
2600		Bank overdraft	+	0	0
		Amounts payable and accrued liabilities			
2620	*	Amounts payable and accrued liabilities		12,672,672	0
2621		Trade payables		0	0
2622		Trade payables to related parties		0	0
2623		Holdbacks payable		0	0
2624		Wages payable		0	0
2625		Management fees payable		0	0
2626		Bonuses payable		0	0
2627		Employee deductions payable		0	0
2628		Withholding taxes payable		0	0
2629		Interest payable		0	0
2630		Amounts payable to members of NPOs		0	0
		Amounts payable and accrued liabilities	+	12,672,672	0
2680		Taxes payable	+	0	0
		Short term debt			
2700	*	Short term debt		0	0
2701		Loans from Canadian banks		0	0
2702		Liability for securities sold short		0	0
2703		Liability for securities sold under repurchase agreements		0	0
2704		Gold and silver certificates		0	0
2705		Cheques and other items in transit		0	0
2706		Lien notes		0	0
		Short term debt	+	0	0
2770		Deferred income	+	0	0
		Due to shareholder(s)/director(s)			
2780	*	Due to shareholder(s)/director(s)		0	0
2781		Due to individual shareholder(s)		0	0
2782		Due to corporate shareholder(s)		0	0
2783		Due to director(s)		0	0
		Due to shareholder(s)/director(s)	+	0	0
2840		Due to joint venture(s)/partnership(s)	+	0	0

Due to related parties

2860	*	Due to related parties	0	0
2861		Demand notes due to related parties	0	0
2862		Interest payable to related parties	0	0
2863		Advances due to related parties	0	0
		Due to related parties	+ 0	0
2920		Current portion of long term liability	+ 0	0
2940		Bankers' acceptances	+ 0	0

Other current liabilities

2960	*	Other current liabilities	0	0
2961		Deposits received	0	0
2962		Dividends payable	0	0
2963		Deferred income taxes	0	0
2964		Reserve for guarantees, warranties or indemnities	0	0
2965		General provisions/reserves	0	0
2966		Crew shares	0	0
		Other current liabilities	+ 0	0
3139		**Total Current Liabilities**	= 12,672,672	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Long Term Liabilities

GIFI	Account	Description		Amount	Prior year
Long term debt					
3140	*	Long term debt		23,063,666	0
3141		Mortgages		0	0
3142		Farm credit corporation loan		0	0
3143		Chartered bank loan		0	0
3144		Credit Union/Caisse Populaire loan		0	0
3145		Provincial government loan		0	0
3146		Supply company loan		0	0
3147		Private loan		0	0
3148		Centrals, leagues, and federation loans		0	0
3149		Line of credit		0	0
3150		Liability for securities sold short		0	0
3151		Liability for securities sold under repurchase agreements		0	0
3152		Lien notes		0	0
		Long term debt	+	23,063,666	0
3200		Deposit liabilities of financial institutions	+	0	0
3210		Bonds and debentures	+	0	0
3220		Deferred income	+	0	0
3240		Deferred income taxes	+	0	0
Due to shareholder(s)/director(s)					
3260	*	Due to shareholder(s)/director(s)		0	0
3261		Due to individual shareholder(s)		0	0
3262		Due to corporate shareholder(s)		0	0
3263		Due to director(s)		0	0
		Due to shareholder(s)/director(s)	+	0	0
3270		Due to members	+	0	0
3280		Due to joint venture(s)/partnership(s)	+	0	0
Due to related parties					
3300	*	Due to related parties		0	0
3301		Amounts owing to related Canadian parties		0	0
3302		Amounts owing to related foreign parties		0	0
		Due to related parties	+	0	0

Other long term liabilities

3320	*	Other long term liabilities	11,571,172	0
3321		Long term obligations/commitments/capital leases	0	0
3322		Reserves for guarantees, warranties or indemnities	0	0
23		Provision for site restoration	0	0
3324		Contributions to qualifying environmental trust	0	0
3325		General provisions/reserves	0	0
3326		Preference shares restated	0	0
3327		Member allocations	0	0
3328		Deferred revenue from incomplete contracts	0	0
		Other long term liabilities	+ 11,571,172	0
3450		**Total Long Term Liabilities**	= 34,634,838	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Shareholder Equity

GIFI	Account	Description		Amount	Prior year
		Shareholder equity			
3500		Common shares	+	23,063,666	0
3520		Preferred shares	+	0	0
		Contributed and other surplus			
3540	*	Contributed and other surplus		0	0
3541		Contributed surplus		0	0
3542		Appraisal surplus		0	0
3543		General reserve		0	0
		Contributed and other surplus	+	0	0
3570		Head office account	+	0	0
3600		Retained earnings/deficit	+	-2,127,136	0
3620		**Total Shareholder Equity**	=	20,936,530	0

* Generic Item

Oshawa PUC Networks Inc. PILs
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

ained Earning/Deficit

GIFI	Account	Description		Amount	Prior year
3660		Retained earnings/deficit - start	+	2,047,514	0
3680		Net income/loss	+	-4,174,650	0
		Dividends declared			
3700	*	Dividends declared		0	0
3701		Cash dividends		0	0
3702		Patronage dividends		0	0
		Dividends declared	-	0	0
3720		Prior period adjustments	+	0	0
		Other items affecting retained earnings			
3740	*	Other items affecting retained earnings		0	0
3741		Share redemptions		0	0
3742		Special reserves		0	0
3743		Currency adjustments		0	0
4		Unusual revenue items		0	0
5		Interfund transfer		0	0
		Other items affecting retained earnings	+	0	0
3849		**Retained Earnings/Deficit - End**	=	-2,127,136	0

* Generic Item

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: PILs 2001-12-31

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Income Statement

GIFI	Description
0001	Operating name
0002	Description of the operation
0003	Sequence Number

GIFI	Account	Description		Amount	Prior year
Income Statement Information					
8089		Total sales of goods and services	+	22,551,308	0
8518		Cost of sales	-	23,283,839	0
8519		**Gross profit/loss**	=	-732,531	0
8518		Cost of sales	+	23,283,839	0
9367		Total operating expenses	+	3,656,221	0
9368		**Total expenses** (mandatory field)	=	26,940,060	0
8299		Total revenue (mandatory field)	+	22,805,410	0
9368		Total expenses (mandatory field)	-	26,940,060	0
9		**Net non-farming income**	=	-4,134,650	0
Farming Income Statement Information					
9659		Total farm revenue (mandatory field)	+	0	0
9898		Total farm expenses (mandatory field)	-	0	0
9899		**Net farm income**	=	0	0
9970		**Net Income/Loss before Taxes and Extraordinary Items**		-4,134,650	0

Extraordinary items and income taxes (linked to Schedule 140)

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

9975	Extraordinary item(s)	0	0
9976	Legal settlements	0	0
9980	Unrealized gains/losses	0	0
9985	Unusual items	0	0
9990	Current income taxes	40,000	0
9995	Deferred income tax provision	0	0
9999	**Net Income/Loss after Taxes and Extraordinary Items** (mandatory field)	-4,174,650	0

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: PILs 2001-12-31

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

venue

GIFI	Account	Description		Amount	Prior year
8000		Trade sales of goods and services	+	22,829,771	0
8020		Sales of goods and services to related parties	+	-278,463	0
8030		Interdivisional sales	+	0	0

Sales from resource properties

8040	*	Sales from resource properties		0	0
8041		Petroleum and natural gas sales		0	0
8042		Petroleum and natural gas sales to related parties		0	0
8043		Gas marketing		0	0
8044		Processing revenue		0	0
8045		Pipeline revenue		0	0
8046		Seismic sales		0	0
8047		Mining revenue		0	0
8048		Coal revenue		0	0
8049		Oil sands revenue		0	0
8050		Royalty income		0	0
8051		Oil and gas partnership/joint venture income/loss		0	0
8052		Mining partnership/joint venture income/loss		0	0
8053		Other production revenue		0	0
		Sales from resource properties	+	0	0
8089		**Total sales of goods and services**	=	22,551,308	0

Investment revenue

8090	*	Investment revenue		0	0
8091		Interest from foreign sources		0	0
8092		Interest from Canadian bonds and debentures		0	0
8093		Interest from Canadian mortgage loans		0	0
8094		Interest from other Canadian sources		0	0
8095		Dividend income		0	0
8096		Dividends from Canadian sources		0	0
8097		Dividends from foreign sources		0	0
		Investment revenue	+	0	0

Oshawa PUC Networks Inc. PILs Sch. 8299
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Interest income (financial institutions)

8100	*	Interest income (financial institutions)	0	0
8101		Loan interest	0	0
8102		Securities interest	0	0
8103		Deposits with banks interest	0	0
		Interest income (financial institutions)	+ 0	0

Commission revenue

8120	*	Commission revenue	0	0
8121		Commission income on real estate transactions	0	0
		Commission revenue	+ 0	0

Rental revenue

8140	*	Rental revenue	0	0
8141		Real estate rental revenue	0	0
8142		Film rental revenue	0	0
		Rental revenue	+ 0	0

8150		Vehicle leasing	+ 0	0

Fishing revenue

8160	*	Fishing revenue	0	0
8161		Fish products	0	0
8162		Other marine products	0	0
8163		Fishing grants, credits and rebates	0	0
8164		Fishing subsidies	0	0
8165		Compensation for loss of fishing income or property	0	0
8166		Sharesman income	0	0
		Fishing revenue	+ 0	0

Realized gains/losses on disposal of assets

8210	*	Realized gains/losses on disposal of assets	0	0
8211		Realized gains/losses on sale of investments	0	0
8212		Realized gains/losses on sale of resource properties	0	0
		Realized gains/losses on disposal of assets	+ 0	0

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: PILs Sch. 8299
2001-12-31

NPO amounts received

8220	NPO amounts received		0	0
8221	Membership fees		0	0
8222	Assessments		0	0
8223	Gifts		0	0
8224	Gross sales and revenues from organizational activities		0	0
	NPO amounts received	+	0	0

Other revenue

8230	* Other revenue		254,102	0
8231	Foreign exchange gains/losses		0	0
8232	Income/loss of subsidiaries/affiliates		0	0
8233	Income/loss of other divisions		0	0
8234	Income/loss of joint ventures		0	0
8235	Income/loss of partnerships		0	0
8236	Realization of deferred revenues		0	0
8237	Royalty income other than resource		0	0
8238	Alberta royalty tax credits		0	0
8239	Management and administration fees		0	0
8240	Telecommunications revenue		0	0
8241	Consulting fees		0	0
8242	Subsidies and grants		0	0
8243	Sale of by-products		0	0
8244	Deposit services		0	0
8245	Credit services		0	0
8246	Card services		0	0
8247	Patronage dividends		0	0
8248	Insurance recoveries		0	0
8249	Expense recoveries		0	0
8250	Bad debt recoveries		0	0
	Other revenue	+	254,102	0

8299	**Total Revenue**	=	22,805,410	0

* Generic Item

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: PILs 2001-12-31 Sch. 8518

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

st of Sales

GIFI	Account	Description		Amount	Prior year
Opening inventory					
8300	*	Opening inventory		0	0
8301		Opening inventory - finished goods		0	0
8302		Opening inventory - raw materials		0	0
8303		Opening inventory - goods in process		0	0
		Opening inventory	+	0	0
8320		Purchases/cost of materials	+	23,283,839	0
8340		Direct wages	+	0	0
8350		Benefits on direct wages	+	0	0
8360		Trades and sub-contracts	+	0	0
8370		Production costs other than resource	+	0	0
Resource production costs					
8400	*	Resource production costs		0	0
8401		Pipeline operations		0	0
8402		Drilling		0	0
[illegible]		Site restoration costs		0	0
[illegible]		Gross overriding royalty		0	0
8405		Freehold royalties		0	0
8406		Other producing properties rental		0	0
8407		Prospect/geological		0	0
8408		Well operating, fuel and equipment		0	0
8409		Well abandonment and dry holes		0	0
8410		Other lease rentals		0	0
8411		Exploration expenses		0	0
8412		Development expenses		0	0
		Resource production costs	+	0	0
Crown charges					
8435	*	Crown charges		0	0
8436		Crown royalties		0	0
8437		Crown lease rentals		0	0
8438		Freehold mineral tax		0	0
8439		Mining taxes		0	0
8440		Oil sand leases		0	0
8441		Saskatchewan resource surcharge		0	0
		Crown charges	+	0	0

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: PILs 2001-12-31

Other direct costs

8450	*	Other direct costs	0	0
8451		Equipment hire and operation	0	0
8452		Log yard	0	0
8453		Forestry costs	0	0
8454		Logging road costs	0	0
8455		Stumpage costs	0	0
8456		Royalty costs	0	0
8457		Freight in and duty	0	0
8458		Inventory write down	0	0
8459		Direct cost amortization of tangible assets	0	0
8460		Direct cost amortization of natural resource assets	0	0
8461		Overhead expenses allocated to cost of sales	0	0
		Other direct costs	+ 0	0

Closing inventory

8500	*	Closing inventory	0	0
8501		Closing inventory - finished goods	0	0
8502		Closing inventory - raw materials	0	0
8503		Closing inventory - goods in process	0	0
		Closing inventory	- 0	0

8518		**Cost of Sales**	= 23,283,839	0

* Generic Item

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Operating Expenses

GIFI		Account Description		Amount	Prior year
Advertising and promotion					
8520	*	Advertising and promotion		0	0
8521		Advertising		0	0
8522		Donations		0	0
8523		Meals and entertainment		0	0
8524		Promotion		0	0
		Advertising and promotion	+	0	0
8570		Amortization of intangible assets	+	0	0
8590		Bad debt expense	+	469,978	0
Loan losses					
8610	*	Loan losses		0	0
8611		Provision for loan losses		0	0
		Loan losses	+	0	0
Employee benefits					
8620	*	Employee benefits		307,885	0
8621		Group insurance benefits		0	0
8622		Employer's portion of employee benefits		0	0
8623		Contributions to deferred income plans		0	0
		Employee benefits	+	307,885	0
8650		Amortization of natural resource assets	+	0	0
8670		Amortization of tangible assets	+	894,570	0
Insurance					
8690	*	Insurance		0	0
8691		Life insurance on executives		0	0
		Insurance	+	0	0

Oshawa PUC Networks Inc. PILs Sch. 9367
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Interest and bank charges

8710	*	Interest and bank charges		0	0
8711		Interest on short term debt		0	0
8712		Interest on bonds and debentures		0	0
8713		Interest on mortgages		0	0
8714		Interest on long term debt		54,250	0
8715		Bank charges		0	0
8716		Credit card charges		0	0
8717		Collection and credit costs		0	0
		Interest and bank charges	+	54,250	0

Interest paid (financial institutions)

8740	*	Interest paid (financial institutions)		0	0
8741		Interest paid on deposits		0	0
8742		Interest paid on bonds and debentures		0	0
		Interest paid (financial institutions)	+	0	0

Business taxes, licences and memberships

8760	*	Business taxes, licences and memberships		0	0
8761		Memberships		0	0
8762		Business taxes		0	0
8763		Franchise fees		0	0
8764		Government fees		0	0
		Business taxes, licences and memberships	+	0	0

8780		New Brunswick tax on large corporations	+	0	0
8790		Nova Scotia tax on large corporations	+	0	0

Office expenses

8810	*	Office expenses		572,611	0
8811		Office stationery and supplies		0	0
8812		Office utilities		0	0
8813		Data processing		0	0
		Office expenses	+	572,611	0

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: PILs 2001-12-31

Professional fees

8860	*	Professional fees	125,051	0
8861		Legal fees	0	0
8862		Accounting fees	0	0
8863		Consulting fees	0	0
8864		Architect fees	0	0
8865		Appraisal fees	0	0
8866		Laboratory fees	0	0
8867		Medical fees	0	0
8868		Veterinary fees	0	0
8869		Brokerage fees	0	0
8870		Transfer fees	0	0
8871		Management and administration fees	0	0
8872		Refining and assay	0	0
8873		Registrar and transfer agent fees	0	0
8874		Restructuring costs	0	0
8875		Security and exchange commission fees	0	0
8876		Training expense	0	0
8877		Studio and recording	0	0
		Professional fees	+ 125,051	0

Rental

8910	*	Rental	75,585	0
8911		Real estate rental	0	0
8912		Occupancy costs	0	0
8913		Condominium fees	0	0
8914		Equipment rental	0	0
8915		Motor vehicle rentals	0	0
8916		Moorage (boat)	0	0
8917		Storage	0	0
8918		Quota rental	0	0
		Rental	+ 75,585	0

Repairs and maintenance

8960	*	Repairs and maintenance	0	0
8961		Repairs and maintenance - buildings	0	0
8962		Repairs and maintenance - vehicles	0	0
8963		Repairs and maintenance - boats	0	0
8964		Repairs and maintenance - machinery and equipment	0	0
		Repairs and maintenance	+ 0	0

Other repairs and maintenance

9010	*	Other repairs and maintenance	0	0
9011		Machine shop expense	0	0
9012		Road costs	0	0
9013		Security	0	0
9014		Garbage removal	0	0
		Other repairs and maintenance	+ 0	0

Salaries and wages

9060	*	Salaries and wages	1,137,714	0
9061		Commissions	0	0
9062		Crew share	0	0
9063		Bonuses	0	0
9064		Directors fees	0	0
9065		Management salaries	0	0
9066		Employee salaries	0	0
		Salaries and wages	+ 1,137,714	0
9110		Sub-contracts	+ 0	0

Supplies

9130	*	Supplies	0	0
9131		Small tools	0	0
9132		Shop expense	0	0
9133		Uniforms	0	0
9134		Laundry	0	0
9135		Food and catering	0	0
9136		Fishing gear	0	0
9137		Nets and traps	0	0
9138		Salt, bait and ice	0	0
9139		Camp supplies	0	0
9150		Computer-related expenses	0	0
9151		Upgrade	0	0
9152		Internet	0	0
		Supplies	+ 0	0
9180		Property taxes	0	0

Travel expenses

9200	*	Travel expenses	0	0
9201		Meetings and conventions	0	0
		Travel expenses	+ 0	0

Utilities

9220	*	Utilities	18,577	0
9221		Electricity	0	0
9222		Water	0	0
9223		Heat	0	0
9224		Fuel costs	0	0
9225		Telephone and telecommunications	0	0
		Utilities	+ 18,577	0

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: PILs 2001-12-31

Other expenses

9270	*	Other expenses	0	0
9271		Cash over/short	0	0
2		Reimbursement of parent company expense	0	0
9273		Selling expenses	0	0
9274		Shipping and warehouse expense	0	0
9275		Delivery, freight and express	0	0
9276		Warranty expenses	0	0
9277		Royalty expenses - resident	0	0
9278		Royalty expenses - non-resident	0	0
9279		Dumping charges	0	0
9280		Land fill fees	0	0
9281		Vehicle expenses	0	0
9282		Research and development	0	0
9283		Withholding taxes	0	0
9284		General and administrative expenses	0	0
9285		Interdivisional	0	0
9286		Interfund transfer	0	0
		Other expenses	+ 0	0

9367		**Total Operating Expenses**	= 3,656,221	0

* Generic Item

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31 PILs Sch. 141

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NOTES CHECKLIST
1998 and later taxation years)

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information.
- For more information, see the "Guide to the General Index of Financial Information (GIFI) for Corporations" and the "T2 Corporation Income Tax Guide."
- The following questions have to be answered:
  - questions 100, 101, and 108;
  - if you answer "yes" to question 101, you have to answer questions 102 to 107;
  - if you answer "yes" to question 108, you have to answer question 109.

Part 1 - Involvement of accountant

Who reported on or prepared the corporation's financial statements? ... 100

Tick only one of the following:

		[X]
An independent auditor with a report that expressed no reservation	1	[ ]
An independent auditor with a report that expressed a reservation	2	[ ]
An independent accountant with a review engagement report that expressed no reservation	3	[ ]
An independent accountant with a review engagement report that expressed a reservation	4	[ ]
An independent accountant who conducted a compilation engagement with no review	5	[ ]
An independent accountant with a compilation and review engagement resulting in no reservation	6	[ ]
An independent accountant with a compilation and review engagement resulting in a reservation	7	[ ]
Prepared by an employee/associate/management of the company, or a person for the company, without a review/audit by an independent accountant/auditor	8	[X]

Part 2 - Other information

		Yes/No
Were notes to the financial statements prepared?	101	[N]
Are any values presented at other than cost?	102	[ ]
Has there been a change in accounting policies since the last return?	103	[ ]
Are subsequent events mentioned in the notes?	104	[ ]
Is re-evaluation of asset information mentioned in the notes?	105	[ ]
Is contingent liability information mentioned in the notes?	106	[ ]
Is information regarding commitments mentioned in the notes?	107	[ ]
Does the corporation have investments in joint venture(s) or partnership(s)?	108	[N]
If "yes," are you filing financial statements of the joint venture(s) or partnership(s)?	109	[ ]

T2 SCH 141 (01)

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this shcedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements			-4,174,650	A
Additions:				
Provision for income taxes - current	101	40,000		
Amortization of tangible assets	104	894,570		
Non-deductible meals and entertainment expenses	121	1,890		
Reserves from financial statements - balance at the end of the year	126	7,024,790		
Subtotal of additions		7,961,250	7,961,250	
Other Additions:				
Miscellaneous Other Additions:				
Subtotal of Other Additions	199	0	0	
Total Additions	500	7,961,250	7,961,250	
Deductions:				
Capital cost allowance from Schedule 8	403	702,433		
Reserves from financial statements-balance at the beginning of the year	414	6,951,922		
Subtotal of Deductions		7,654,355	7,654,355	
Other Deductions:				
Miscellaneous Other Deductions:				
700 Transition costs not allowable	390	146,019		
Subtotal of Other Deductions	499	146,019	146,019	
Total Deductions	510	7,800,374	7,800,374	
Net income (loss) for income tax purposes (enter on line 300 on the T2 return)			-4,013,774	

T2 SCH 1 E (01)

(Ce formulaire existe en français.)

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CORPORATION LOSS CONTINUITY AND APPLICATION
)00 and later taxation years)

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, "Losses - Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs, referred to on this schedule are from the federal "Income Tax Act."

Part 1 - Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-4,013,774
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	0	0
Subtotal (if positive, enter "0")		-4,013,774
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions		0
Subtotal		-4,013,774
Add: (decrease a loss)		
Current-year farm loss		0
Current-year non-capital loss (if positive, enter "0")		-4,013,774

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		0	
Deduct: Non-capital loss expired after seven taxation years	100	0	
Non-capital losses at beginning of taxation year	102	0	
Add: Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	4,013,774	4,013,774

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Continuity of non-capital losses and request for a carryback (cont'd)

Deduct:

Amount applied against taxable income (enter on line 331 of the T2 return)	130	0	
Amount applied against taxable dividends subject to Part IV tax	135	0	
Section 80 - Adjustments for forgiven amounts	140	0	
Subsection 111(10) - Adjustments for fuel tax rebate		0	
Other adjustments	150	0	0
		Subtotal	4,013,774

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

First preceding taxation year to reduce taxable income	901	0	
Second preceding taxation year to reduce taxable income	902	0	
Third preceding taxation year to reduce taxable income	903	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913	0	0
Non-capital losses - Closing balance	180		4,013,774

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 Yes [ ]

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	0	
Current-year capital loss (from Schedule 6 calculation)	210	0	0
Add:			
Allowable business investment loss expired as non-capital loss 0 x 4/3	220		0
		Subtotal	0

Deduct:

Amount applied against current-year capital gain (see note 1)	225	0	
Section 80 - Adjustments for forgiven amounts	240	0	
Other adjustments	250	0	0
		Subtotal	0

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year	0	951	0	
Second preceding taxation year	0	952	0	
Third preceding taxation year	0	953	0	0
Capital losses - Closing balance		280		0

Oshawa PUC Networks Inc. PILs
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Part 2 - Capital losses

Continuity of capital losses and request for a carryback (cont'd)

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.
Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.
For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determine by dividing the total taxable capital gain by the total capital gain.

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

Part 3 - Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year		0	
Deduct: Farm loss expired after 10 taxation years	300	0	
Farm losses at beginning of taxation year	302	0	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330	0	
Amount applied against taxable dividends subject to Part IV tax	335	0	
Section 80 - Adjustment forgiven amount	340	0	
Other adjustments	350	0	0
		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	0	
Second preceding taxation year to reduce taxable income	922	0	
Third preceding taxation year to reduce taxable income	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	0	0
Farm losses - Closing balance	380		0

Restricted Farm Loss Determination:
Is the corporation exempt from the restricted farm loss rules?
(A reply of "NO" triggers the restricted farm loss rules.) [Y/N] [Y]

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Part 4 - Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485		0 A
Plus the deductible farm loss:			
$2,500 plus B or C, whichever is less		2,500	
(Amount A above 0 - $2,500) divided by 2 = 0 B			
6,250 C		0	2,500
Current-year restricted farm loss (enter this amount on line 410)			0

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		0	
Deduct: Restricted farm loss expired after 10 taxation years	400	0	
Restricted farm losses at beginning of taxation year	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430	0	
Section 80 - Adjustments for forgiven amounts	440	0	
Other adjustments	450	0	0
		Subtotal	0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941	0	
Second preceding taxation year to reduce farming income	942	0	
Third preceding taxation year to reduce farming income	943	0	0
Restricted farm losses - Closing balance	480		0

Note

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

Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			0
Deduct: Listed personal property loss expired after seven taxation years	500		0
Listed personal property losses at beginning of taxation year	502		0
Add: Current-year listed personal property loss (from Schedule 6)	510		0
		Subtotal	0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530	0	
Other adjustments	550	0	0
		Subtotal	0
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961	0	
Second preceding taxation year to reduce listed personal property gains	962	0	
Third preceding taxation year to reduce listed personal property gains	963	0	0
Listed personal property losses - Closing balance	580		0

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

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 <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year
Current	N/A	4,013,774	0	0	N/A	0	4,013,774
2001	0	N/A	0	N/A	0	0	0
2000	0	N/A	0	N/A	0	0	0
1999	0	N/A	0	N/A	0	0	0
1998	0	N/A	0	N/A	0	0	0
1997	0	N/A	0	N/A	0	0	0
1996	0	N/A	0	N/A	0	0	0
1995	0	N/A	0	N/A	0	0	0 *
Total	0	4,013,774	0	0	0	0	4,013,774

Farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year
Current	N/A	0	0	0	N/A	0	0
2001	0	N/A	0	N/A	0	0	0
2000	0	N/A	0	N/A	0	0	0
1999	0	N/A	0	N/A	0	0	0
1998	0	N/A	0	N/A	0	0	0
1997	0	N/A	0	N/A	0	0	0
1996	0	N/A	0	N/A	0	0	0
1995	0	N/A	0	N/A	0	0	0
1994	0	N/A	0	N/A	0	0	0
1993	0	N/A	0	N/A	0	0	0
1992	0	N/A	0	N/A	0	0	0 *
Total	0	0	0	0	0	0	0

Restricted farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year
Current	N/A	0	0	0	N/A	N/A	0
2001	0	N/A	0	N/A	0	N/A	0
2000	0	N/A	0	N/A	0	N/A	0
1999	0	N/A	0	N/A	0	N/A	0
1998	0	N/A	0	N/A	0	N/A	0
1997	0	N/A	0	N/A	0	N/A	0
1996	0	N/A	0	N/A	0	N/A	0
1995	0	N/A	0	N/A	0	N/A	0
1994	0	N/A	0	N/A	0	N/A	0
1993	0	N/A	0	N/A	0	N/A	0
1992	0	N/A	0	N/A	0	N/A	0 *
	0	0	0	0	0	N/A	0

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

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2007-12-31

PILs Sch. 008

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	47,784,000	2,839,664	0	0	1,419,832	4	0	0	496,082	50,127,582
8	625,000	119,562	0	0	59,781	20	0	0	34,520	710,042
10	1,710,000	398,374	0	0	199,187	30	0	0	144,366	1,964,008
12	75,000	19,285	0	0	9,642	100	0	0	21,335	72,950
42	126,000	0	0	0	0	12	0	0	3,811	122,189
13	46,000	0	0	0	0		0	0	2,319	43,681
Total	50,366,000	3,376,885	0	0	1,688,442		0	0	702,433	53,040,452

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2007-12-31
RELATED AND ASSOCIATED CORPORATIONS

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporation(s)

Name	Ctry of resi-dence	Business Number (Note)	Rela-tion-ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre-ferred shares owned	Book value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
Oshawa Power and Utilities Cor		864867593RC0001	1	0	0.00	0	0.00	0

Note: Enter "NR" if a corporation is not registered.

Relationship code:

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

Schedule 9

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: PILs Sch. 013 2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CONTINUITY OF RESERVES
98 and later taxation years)

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal "Income Tax Act".
- File one completed copy of this schedule with the corporation's "T2 Corporation Income Tax Return".
- For more information, see the "T2 Corporation Income Tax Guide".

Part 1 - Capital gains reserves

Description of property	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
001	$ 002	$ 003	$	$	$ 004
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Totals 008	0 009	0	0	0 010	0

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Financial Statement Reserves (not deductible)

Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
Employee future benefits	6,414,701	0	72,868	0	6,487,569
Employee sick leave benefits	537,221	0	0	0	537,221
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Reserves From Section 2 below	0	0	0	0	0
Totals	6,951,922	0	72,868	0	7,024,790

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.

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31 PILs Sch. 013

Part 2 - Other reserves

Description	[X]		Balance at the beginning of the year		Transfer on amalgamation or wind-up of subsidiary	Add	Deduct		Balance at the end of the year
			$		$	$	$		$
Reserve for doubtful debts	[ ]	110	0	115	0	0	0	120	0
Reserve for undelivered goods and services not rendered	[ ]	130	0	135	0	0	0	140	0
Reserve for prepaid rent	[ ]	150	0	155	0	0	0	160	0
Reserve for December 31, 1995 income	[ ]	170	0	175	0	0	0	180	0
Reserve for refundable containers	[ ]	190	0	195	0	0	0	200	0
Reserve for unpaid amounts	[ ]	210	0	215	0	0	0	220	0
Other tax reserves	[ ]	230	0	235	0	0	0	240	0
Totals		270	0	275	0	0	0	280	0

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.

The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

Oshawa PUC Networks Inc. PILs Sch. 023
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS (CCPC's) TO ALLOCATE THE BUSINESS LIMIT (1998 and later taxation years)

For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.

- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) not to be associated for purposes of the small business deduction.

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

Column 3: Enter the code 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" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation".

Column 4: Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 can not exceed $200,000.

Column 5: Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Column 6: Enter the gross Part I.3 tax of the prior year. This is used for the business limit reduction.

Allocation of business limit

Date filed (for departmental use only)	025	Year Month Day
Enter the calendar year to which the agreement applies	050	Year 2001
Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below?	075	[Y/N] [N]

T2 SCH 23 (00)

Oshawa PUC Networks Inc. PILs Sch. 023
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

1	2	3	4	5	6
Names of associated corporations	Business Number of associated corporations	Association code	Business limit allocated **(Note 1)**	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year **(Notes 2 & 3)**
100	200	300	400	500	
Oshawa PUC Networks Inc.	891725210RC0001	1	200,000	2001-12-31	0
See attached			0		0
	Totals (not to exceed $200,000)		200,000		0

Note 1:
Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Note 2:
Reduction to the business limit under subsection 125(5.1)
The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return.
The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 its last taxation year ending in the preceding calendar year.

Note 3:
If the taxation year of the associated corporation was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31
AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	5	6
Name of associated corporation	Business Number of associated corporation	Asso-ciation code	Business limit allocated (Note)	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year
[100]	[200]	[300]	[400]	[500]	
Oshawa Power and Utilities Cor	864867593RC0001	1	0	2001-12-31	0
TOTALS			0		0

Note: Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Reduction to the business limit under subsection 125(5.1)
The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return. The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Schedule 23-Supplementary

Oshawa PUC Networks Inc. PILs Sch. 033
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART I.3 TAX ON LARGE CORPORATIONS
(1998 and later taxation years)

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before the deduction for surtax credits.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act."
- 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 in respect of its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or in respect of a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) a non-resident-owned investment corporation throughout the year;
  2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  4) exempt from tax under section 149 throughout the year on all of its taxable income;
  5) neither resident in Canada nor carried on a business through a permanent establishment in Canada at any time in the year; or
  6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including processing incidental to or connected therewith) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" within six months of the end of the taxation year.

		Year	Month	Day
Filing date (for departmental use only)	100			

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 5, "Taxable capital employed in Canada - Non-resident corporation."

Part 1 - Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	7,024,790
Capital stock (or members' contributions if incorporated without share capital)	103	23,063,666
Retained earnings	104	0
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	27,610,048
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations	109	0
Any dividends declared but not paid by the corporation before the end of the year	110	0
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111	0

Oshawa PUC Networks Inc. PILs
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Part 1 - Capital (cont'd)

Proportion of the amount, if any, by which the total of all amounts that would be determined under lines 101, 107, 108, 109, 111 and 112) in respect of the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses (see note below)	112	0		
	Subtotal	57,698,504	57,698,504	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	0		
Any deficit deducted in computing the shareholders' equity	122	2,127,136		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123	0		
The amount of deferred unrealized foreign exchange losses	124	0		
	Subtotal	2,127,136	2,127,136	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		55,571,368	

Note: Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- Amounts owing to the member or to corporations that are other members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- Amounts at these lines apply to partnerships in the same way that they apply to corporations.
- The proportion of the total amounts is determined in accordance with the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

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		0
A loan or advance to another corporation (other than a financial institution)	402		64,873
A bond, debenture, note, mortgage, or similar obligation of another corporation (other than a financial institution)	403		0
Long-term debt of a financial institution	404		0
A dividend receivable on a share of the capital stock of another corporation	405		0
A loan or advance to, or a bond, debenture, note, mortgage or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)]	406		0
An interest in a partnership	407		0
Investment allowance for the year	490		64,873

Note: 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 of the Act (other than by reason of paragraph 181.1(3)(d) of the Act).

Part 3 - Taxable capital

Capital for the year (line 190)			55,571,368 C
Deduct: Investment allowance for the year (line 490)			64,873 D
Taxable capital for the taxation year (amount C minus amount D) (if negative, enter "0")	500		55,506,495

Oshawa PUC Networks Inc. PILs Sch. 033
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Part 4 - Taxable capital employed in Canada - Canadian resident corporation

To be completed by a corporation that was resident in Canada at any time in the year.

Taxable capital for the year (line 500)	55,506,495	X	Taxable income earned in Canada	610	1,000	=	Taxable capital employed in Canada	690	55,506,495
			Taxable income		1,000				

Notes: 1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2) Where a corporation's taxable income for a taxation 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.

Part 5 - Taxable capital employed in Canada - Non-resident corporation

To be completed by a corporation that was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada.

Total of all amounts 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 it carried on during the year through a permanent establishment in Canada	701		0
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	0	
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 it carried on during the year in Canada	712	0	
al amount of carrying value at the end of year of an asset of the corporation t is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year in Canada	713	0	
Total deductions (add lines 711, 712, and 713)		0	0 E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")	790		0

Part 6 - Calculation of gross Part I.3 tax

Taxable capital employed in Canada for the year (line 690 or 790, whichever applies)						55,506,495
Deduct: Capital deduction claimed for the year (enter $10,000,000 or, for related corporations, the amount allocated on Schedule 36)	801					10,000,000
Excess of taxable capital employed in Canada over capital deduction	811					45,506,495
Gross Part I.3 tax:	Line 811	45,506,495	x	.2250%	=	102,390 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F	102,390	x	Number of days in the year: 92 / 365		=	25,808 G
Gross Part I.3 tax (amount F or G, whichever applies)	820					25,808

Oshawa PUC Networks Inc. PILs Sch. 033
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Part 7 - Calculation of current year surtax credits

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable. This is called the surtax credit.
  Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible in respect of a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

Current year surtax credit equals current year Canadian surtax payable.

Canadian surtax payable

For a corporation that was not resident in Canada throughout the year, the lesser of a and b, below:

a)	line 600 from the T2 return			0	
b)	line 700 from the T2 return			0	0 H

In any other case, the lesser of c and d below:

			line 690 of this schedule			
c)	line 600 from the T2 return	0 x	55,506,495	=	0	
			55,506,495			
			line 500 of this schedule			
d)	line 700 from the T2 return				0	0 I

Current year surtax credit (amount H or I, whichever applies) [830] 0

Part 8 - Calculation of Part I.3 tax credit available for carry- forward

Amount on line 830		0
Less: Part I.3 tax before deducting surtax credits (line 820)		25,808 J
	Net amount	-25,808 K

If the amount on line K is "positive," it represents the amount of Part I.3 tax credits that may be carried forward from taxation years prior to 1992 and applied this year to reduce Canadian surtax payable. Refer to Schedule 37 for unused Part I.3 tax credit balance 0 L

If the amount on line K is "negative," it represents the amount of unused surtax credit of other years that may be applied to reduce Part I.3 tax payable in the current year 25,808 M

Part 9 - Calculation of current year unused surtax credit

Amount K (if positive)		0
Less: Part I.3 tax credits claimed (carried forward from taxation years prior to 1992 - see amount L above)		0
Current year unused surtax credit (enter this amount on Schedule 37)	[850]	0

Oshawa PUC Networks Inc. PILs Sch. 033
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Part 10 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)			25,808 N
duct the following amounts:			
rent year surtax credit applied (the lesser of lines 820 and 830)	861	0	
Unused surtax credit from prior years applied	862	0	
Total (cannot exceed amount on line 820)		0	0 O
Net Part I.3 tax payable (amount N minus amount O)			
Enter this amount at line 704 of the T2 return	870		25,808

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

PILs Attached Sch.

Loans

Due to City of Oshawa	23,063,665.00
Customer deposits	3,397,205.00
	0.00
Regulatory liability	240,981.00
Other (Development Fund/Deferred Revenue)	908,197.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	27,610,048.00

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: PILs 2001-12-31

Prepaid Expense	52,148.00
Securities Held for Deposit	12,725.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	64,873.00

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: PILs 2001-12-31

Non-deductible reserves

Employee future benefits	6,487,569.00
Employee sick leave benefits	537,221.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	7,024,790.00

Oshawa PUC Networks Inc. PILs Sch. 036
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

REEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX
..998 and later taxation years)

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 among the members of the related group.
  Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.

Are any members of the related group liable to pay Part I.3 tax? ..... [Y/N] [Y]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.

- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending in a calendar year may file such an agreement.

- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

- Attach additional schedules if space for agreement is not sufficient.

Agreement

		Year Month Day
Date filed (for departmental use only)	010	
Is this an amended agreement?	020	[Y/N] [N]
...ter the calendar year to which the agreement applies	030	Year 2001

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member which is exempt from Part I.3 tax under subsection 181.1(3) is not required to be included.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year $	Taxation year end to which this agreement applies (Note 2)
200	300	400	500
Oshawa PUC Networks Inc.	891725210RC0001	10,000,000	2001-12-31
See attached		0	
	Total (not to exceed $10,000,000)	10,000,000	

Note 1: If a corporation is not registered enter, "NR".

Note 2: An entry is only required for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

SCH 36 (99)

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31
AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal Income Tax Act, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group [200]	Business Number (Note 1) [300]	Allocation of capital deduction for the year [400]	Taxation year end to which this agreement applies (Note 2) [500]
Oshawa Power and Utilities Cor	864867593RC0001	0	2001-12-31
TOTAL		0	

Note 1: If a corporation is not registered, enter "NR".

Note 2: An entry is only required for a corporation that has more than one taxation ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

Schedule 36 - Supplementary

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION
(1998 and later taxation years)

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
100	200	300	400	500
Oshawa Power and Utilities Corporation	864867593RC0001		100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

T2 SCH 50 (99)

Oshawa PUC Networks Inc. PILs T7B-1
Account/Business No.: 891725210RC0001 Year Ended: 2001-12-31

Schedule of Instalment Remittances

Name of Corporation Contact: . . . . . .
Telephone Number: . . . . . .

Effective Interest Date	Description (Instalment Remittance, Split Payment, Assessed Credit)	Amount of Credit
	Tax payment to Ministry of Finance	25,883
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
	Total amount of instalments claimed (A)	25,883
	Total instalments credited to the taxation year per T9 (B)	25,883

TRANSFER

Account Number	Taxation Year End	Amount	Effective Interest Date	Description
From:				
		0		
To:				

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

BUSINESS CONSENT FORM

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4, and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 - Consent to release of information to a representative

Client's name: Oshawa PUC Networks Inc. PILs Business Number: 891725210RC0001

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

ERNST & YOUNG LLP

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name.

416-864-1234
Representative's telephone number

416-864-1174
Representative's fax number

Part 2 - Details of consent

A. Which accounts?

I request that this consent apply to all accounts. [X] OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001	[ ]	RC [ ]	RC [ ]
GST/HST	RT0001	[ ]	RT [ ]	RT [ ]
Payroll deductions	RP0001	[ ]	RP [ ]	RP [ ]
Import/Export	RM0001	[ ]	RM [ ]	RM [ ]

B. Which years?

I request that this consent apply to all years. [X] OR

I request that this consent apply only to the following years:

1. All year-ends up to: [ ] Year Month Day

2. All year-ends beginning in: [ ] Year Month Day and all years after that.

3. The following year-ends only: [ ] Year Month Day [ ] Year Month Day
   [ ] Year Month Day [ ] Year Month Day

Part 3 - Cancellation of consent to release of information to a representative

Client's name: Oshawa PUC Networks Inc. PILs Business Number: 891725210RC0001

I cancel all previous consents for all representatives. ☐ OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to cancel the consent for a particular individual of that firm, enter that individual's first and last name.

Representative's telephone number

Representative's fax number

Part 4 - Details of cancellation of consent

A. Which accounts?

I request that this cancellation of consent apply to all accounts. ☐ OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001	☐	RC		RC	
GST/HST	RT0001	☐	RT		RT	
Payroll deductions	RP0001	☐	RP		RP	
Import/Export	RM0001	☐	RM		RM	

B. Which years?

I request that this cancellation of consent apply to all years. ☐ OR

I request that this cancellation of consent apply only to the following years:

1. All year-ends up to: Year Month Day
2. All year-ends beginning in: Year Month Day and all years after that.
3. The following year-ends only: Year Month Day Year Month Day
   Year Month Day Year Month Day

Part 5 - Signature

Print your name Luc Perron Title CFO

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here Date Year Month Day

WE WILL NOT PROCESS THIS FORM IF IT IS NOT SIGNED

T2 CORPORATION INCOME TAX RETURN

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

200
Code 0101

EXEMPT FROM TAX

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, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *2001 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and the *General Index of Financial Information* (GIFI) to your tax services office or to the tax centre that serves the corporation. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

CLIENT COPY

Business Number (BN) 001 891725210RC0001

Corporation's name

002 Oshawa PUC Networks Inc. PILs

Has the corporation changed its name since the last time we were notified? ... 003 1 Yes ☐ 2 No ☒

If *yes*, do you have a copy of the articles of amendment? ..... 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? ..... 010 1 Yes ☐ 2 No ☒

011 100 Simcoe Street South

012

City	Province, territory, or state
015 Oshawa	016 ON
Country (other than Canada)	Postal Code/ZIP code
017	018 L1H-7M7

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes ☐ 2 No ☒

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	Postal code/ZIP code
027	028

Location of books and records

031 100 Simcoe Street South

032

City	Province, territory, or state
035 Oshawa	036 ON
Country (other than Canada)	Postal Code/ZIP code
037	038 L1H-7M7

040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (please specify, below)

If the type of corporation changed during the taxation year, please provide the effective date of the change ..... 043 _____ YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year end
060 2002-01-01	061 2002-12-31
YYYY/MM/DD	YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? ..... 063 1 Yes ☐ 2 No ☒

If *yes*, provide the date control was acquired ..... 065 _____ YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? ..... 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? ..... 070 1 Yes ☐ 2 No ☒
Amalgamation? ..... 071 1 Yes ☐ 2 No ☒

If *yes*, please provide Schedule 24

Has there been a windup of a subsidiary under section 88 during the current taxation year?

If *yes*, please provide Schedule 24 ..... 072 1 Yes ☐ 2 No ☒

Is this the final taxation year before amalgamation? ..... 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? ..... 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If *no*, give the country of residence.

081

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

If *yes*, please provide Schedule 91 ..... 082 1 Yes ☐ 2 No ☒

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

085
1 ☐ Exempt under 149(1)(e) or (l)
2 ☐ Exempt under 149(1)(j)
3 ☐ Exempt under 149(1)(t)
4 ☒ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
097					

T2 E (01) (Ce formulaire existe en français.) Canada

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not print these schedules.

Schedules - Answer the following questions. For each *yes* response, attach to the T2 return the schedule that applies.

Guide item			Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160	X	23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	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	X	11
33	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
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	X	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	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?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's-length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		—
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada or a province, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204	X	4
131	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
149	Is the corporation an investment corporation or a mutual fund corporation?	218		18
130	Was the corporation carrying on business in Canada while not a Canadian corporation?	220		20 *
117	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
154	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
110	Does the corporation have any Canadian manufacturing and processing profits?	227		27
120	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
123	Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
123	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
123	Is the corporation claiming a surtax credit?	237		37
127	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
127	Is the corporation claiming a Part I tax credit?	242		42
128	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
128	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
124	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
127	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
	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40
127	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
151	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

OPUCN Response
Board Staff Interrogatories
EB-2007-0710

Corporation's name		Business Number	Taxation year-end
Oshawa PUC Networks Inc.	PILs	891725210RC0001	2002-12-31

Attachments - continued from page 2

Guide item		Yes	Schedule
129	Is the corporation subject to Part XIII.1 tax?		92 *
152	Is the corporation claiming a film or video production services tax credit refund?		T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		T1134-A
44	Did the corporation have any controlled foreign affiliates?		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?		T1135
44	Did the corporation transfer or loan property to a non-resident trust?		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		T1174
—	Is the corporation claiming the BC mining exploration tax credit?		421
—	Is the corporation claiming the BC SR&ED tax credit?		T666

Additional information

Is the corporation inactive?	280	1 Yes		2 No	X
Has the major business activity changed since the last return was filed? (enter *yes* for first time filers)	281	1 Yes		2 No	X

What is the corporation's major business activity? (Only complete if *yes* was entered at line 281.) 282 _____

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

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

284	Utility Distribution	285	100 %
286		287	0 %
288		289	0 %

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes		2 No	X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes		2 No	X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300	3,578,771	A
Deduct: Charitable donations from Schedule 2	311	0	
Gifts to Canada or a province from Schedule 2	312	0	
Cultural gifts from Schedule 2	313	0	
Ecological gifts from Schedule 2	314	0	
Taxable dividends deductible under section 112, 113, or subsection 138(6) from Schedule 3	320	0	
Part VI.1 tax deduction from Schedule 43	325	0	
Non-capital losses of preceding taxation years from Schedule 4	331	3,578,771	
Net-capital losses of preceding taxation years from Schedule 4	332	0	
Restricted farm losses of preceding taxation years from Schedule 4	333	0	
Farm losses of preceding taxation years from Schedule 4	334	0	
Limited partnership losses of preceding taxation years from Schedule 4	335	0	
Taxable capital gains or taxable dividends allocated from a central credit union	340	0	
Prospector's and grubstaker's shares	350	0	
Subtotal		3,578,771	3,578,771 B
Subtotal (amount A minus amount B)			0 C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355		0 D
Taxable income (amount C plus amount D)	360		0
Income exempt under paragraph 149(1)(t)	370		0
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			0 Z

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Small business deduction

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

Income from active business carried on in Canada from Schedule 7	400	3,578,771	A
Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and **minus** any amount that, because of federal law is exempt from Part I tax	405	0	B
Business limit (for associated corporations, enter business limit from Schedule 23)	410	200,000	C

Reduction to business limit:

Amount C 200,000 x 415 *** 103,598 D / 11,250 = 1,841,742 E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	0	F
Small business deduction - 16.00% of the least of amounts A, B, C, and F (enter amount G on line 9 of page 7)	430	0	G

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on 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 at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax for preceding year** - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)	0 x 3/2 =	0	A
Net active business income (amount from line 400) *		3,578,771	B
Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of the maximum deductible amount at line 636** on page 7, and minus any amount that, because of federal law is exempt for Part I Tax	0 C		
Deduct: Aggregate investment income (amount from line 440 of page 6)	0 D		
Amount C minus amount D (if negative, enter "0")	0	0	E
The least of amounts A, B, or E above		0	F
Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	G
Amount QQ from Part 13 of Schedule 27	0		H
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =	0	I
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	0		J
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction	0		K
Total of amounts G, H, I, J, and K	0	0	L
Amount F minus amount L (if negative, enter "0")		0	M

Amount M 0 x (Number of days in the taxation year after December 31, 2000 / Number of days in the taxation year) 365/365 = 0 N

Accelerated tax reduction - 7% of amount N (enter amount O on line 637 of page 7) 0 O

* If the amount at line 450 of Schedule 7 is positive, specified partnerships need to use Schedule 70 to calculate net active business income.

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

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 or amount Z of page 3				0 A
Amount Z from Part 9 of Schedule 27	0 x 100/7	0 B		
Amount QQ from Part 13 of Schedule 27		0 C		
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =	0 D		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 E		
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction on page 4		0 F		
Aggregate investment income form line 440 of page 6		0 G		
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0 H		
Total of amounts B, C, D, E, F, G, and H		0		0 I
Amount A minus amount I (if negative, enter "0")				0 J

Amount J	0 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0 / 365 x 1% =			0 K
Amount J	0 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	365 / 365 x 3% =			0 L
Amount J	0 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 365 x 5% =			0 M
Amount J	0 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 365 x 7% =			0 N

General tax reduction for Canadian-controlled private corporations - Total of amounts K, L, M and N (enter amount O on line 638 of page 7) ..... 0 O

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 or amount Z of page 3				0 A
Amount Z from Part 9 of Schedule 27	0 x 100/7	0 B		
Amount QQ from Part 13 of Schedule 27		0 C		
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =	0 D		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 E		
Total of amounts B, C, D, and E		0		0 F
Amount A minus amount F (if negative, enter "0")				0 G

Amount G	0 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0 / 365 x 1% =			0 H
Amount G	0 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	365 / 365 x 3% =			0 I
Amount G	0 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 365 x 5% =			0 J
Amount G	0 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 365 x 7% =			0 K

General tax reduction - Total of amounts H, I, J and K (enter amount L on line 639 of page 7) ..... 0 L

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's name		Business Number	Taxation year-end
Oshawa PUC Networks Inc.	PILs	891725210RC0001	2002-12-31

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income .... **440** 0 x 26 2/3% = ... 0 A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

Foreign investment income ..... **445** 0 x 9 1/3% = ... 0
(amount O from Part 1 of Schedule 7) (if negative, enter "0") 0 — 0 B

Amount A minus amount B (if negative, enter "0") ..... 0 C

Taxable income from line 360 on page 3 0

Deduct:

Least of amounts on lines 400, 405, 410, and 425 on page 4 ... 0

Foreign non-business income tax credit from line 632 of page 7 ..... 0 x 25/9 = 0

Foreign business income tax credit from line 636 of page 7 ..... 0 x 10/4 = 0

0 — 0

0 x 26 2/3% = 0 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 0

Deduct corporate surtax from line 600 of page 7 0

Net amount ..... 0 — 0 E

Refundable portion of Part I tax - The least of amounts C, D, and E ..... **450** 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year **460** 0

Deduct dividend refund for the previous taxation year **465** 0

0 — 0 A

Add the total of:

Refundable portion of Part I tax from line 450 above 0

Total Part IV tax payable from line 360 on page 2 of Schedule 3 0

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation **480** 0

0 — 0 B

Refundable dividend tax on hand at the end of the taxation year - Amount A plus amount B **485** 0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 .... 0 x 1/3 — 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... 0 B

Dividend refund - Lesser of amounts A and B (enter this amount on line 784 of page 8) 0

Corporation's name	Business Number	Taxation year-end
Oshawa PUC Networks Inc. PILs	891725210RC0001	2002-12-31

Part I tax

Base amount of Part I tax - 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 0 A

Corporate surtax calculation

Base amount from line A above	0	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	0	2
Investment corporation deduction from line 620 below	0	3
Federal logging tax credit from line 640 below	0	4
Federal qualifying environmental trust tax credit from line 648 below	0	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b, and c below on line 6:

28.00 % of taxable income from line 360 of page 3	0	a	
28.00 % of taxed capital gains	0	b	0 6
Part I tax otherwise payable (line A **plus** lines C and D **minus** line F)	0	c	
Total of lines 2 to 6			0 7
Net amount (line 1 minus line 7)			0 8

Corporate surtax - 4.00% of the amount on line 8 ..... 600 0 B

Recapture of investment tax credit from line XX in Part 16 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0	i
Taxable income from line 360 on page 3	0		
Deduct:			
The least of amounts on lines 400, 405, 410, and 425 of page 4	0		
Net amount	0	0	ii

Refundable tax on CCPC's investment income - 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) 0 E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	0	
Manufacturing and processing profits deduction from amount BB or amount VV of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction - credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount O of page 4	637	0	
General tax reduction for CCPCs from amount O of page 5	638	0	
General tax reduction from amount L of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
Subtotal		0	0 F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) ..... 0 G

Corporation's name: Oshawa PUC Networks Inc. | PILs | Business Number: 891725210RC0001 | Taxation year-end: 2002-12-31

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	0
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
	Total federal tax	0

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0	
		0	0
	Total tax payable	770	0 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0
Dividend refund from page 6	784	0
Federal capital gains refund from Schedule 18	788	0
Federal qualifying environmental trust tax credit refund	792	0
Canadian film or video production tax credit refund from Form T1131	796	0
Film or video production services tax credit refund from Form T1177	797	0
Tax withheld at source	800	0
Total payments on which tax has been withheld 801 0		
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0
Provincial and territorial capital gains refund from Schedule 18	808	0
Provincial and territorial refundable tax credits from Schedule 5	812	0
Royalties deductible under Syncrude Remission Order 815 0		
Tax remitted under Syncrude Remission Order	816	0
Tax instalments paid	840	0
Total credits	890	0 B

Refund code 894 0 Overpayment 0

Balance (line A minus line B) 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 _____ Branch number

914 _____ Institution number 918 _____ Account number

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid 0

Enclosed payment 898 0

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 Perron (Last name in block letters) 951 Luc (First name in block letters) 954 CFO (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 further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 _____ Date (yyyy/mm/dd) _____ Signature of an authorized signing officer of the corporation 956 905-723-4626 Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below 957 1 Yes ☒ 2 No ☐

958 _____ Name in block letters 959 _____ Telephone number

Language of correspondence - Langue de correspondance

990 Please indicate the language of your choice.
Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

RELATED AND ASSOCIATED CORPORATIONS

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporation(s)

Name	Ctry of resi-dence	Business Number (Note)	Rela-tion-ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre-ferred shares owned	Book value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
OSHAWA POWER AND UTILITIES COR		864867593RC0001	1	0	0.00	0	0.00	0
OSHAWA PUC ENERGY SERVICES INC		857491336RC0001	3	0	0.00	0	0.00	0
OSHAWA PUC SERVICES INC.		865799662RC0001	3	0	0.00	0	0.00	0

Note: Enter "NR" if a corporation is not registered.

Relationship code:

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

Schedule 9

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS (CCPC's) TO ALLOCATE THE BUSINESS LIMIT (1998 and later taxation years)

. or use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.

- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) not to be associated for purposes of the small business deduction.

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

Column 3: Enter the code 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" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation".

Column 4: Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 can not exceed $200,000.

'mn 5: Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Column 6: Enter the gross Part I.3 tax of the prior year. This is used for the business limit reduction.

Allocation of business limit

Date filed (for departmental use only)	025	Year Month Day
Enter the calendar year to which the agreement applies	050	Year 2002
Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below?	075	[Y/N] [N]

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

1	2	3	4	5	6
Names of associated corporations	Business Number of associated corporations	Association code	Business limit allocated **(Note 1)**	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year **(Notes 2 & 3)**
100	200	300	400	500	
Oshawa PUC Networks Inc.	891725210RC0001	1	200,000		103,598
See attached			0		0
	Totals (not to exceed $200,000)		200,000		103,598

Note 1:
Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Note 2:
Reduction to the business limit under subsection 125(5.1)
The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return.
The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 s last taxation year ending in the preceding calendar year.

Note 3:
If the taxation year of the associated corporation was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	5	6
Name of associated corporation	Business Number of associated corporation	Asso-ciation code	Business limit allocated (Note)	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year
[100]	[200]	[300]	[400]	[500]	
OSHAWA POWER AND UTILITIES COR	864867593RC0001	1	0	2002-12-31	0
OSHAWA PUC ENERGY SERVICES INC	857491336RC0001	1	0	2002-12-31	0
OSHAWA PUC SERVICES INC.	865799662RC0001	1	0	2002-12-31	0
TOTALS			0		0

Note: Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Reduction to the business limit under subsection 125(5.1)

The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return. The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Schedule 23-Supplementary

T2-RETURN AND SCHEDULE INFORMATION

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

For agency use
[055]

CLIENT COPY

[001] 89172 5210 RC 0001
[060] 2002 01 01
[061] 2002 12 31
[099] TP06

X

XXXXXXXXXXX

[002] Oshawa PUC Networks Inc. PILs

[003] 2
[004] _____

XXXXXXXXXXX

[010]@ 2
[011] _____
[012] _____
[015] _____
[016] _____
[017] _____
[018] _____

For agency use
[091] _____
[092] _____
[093] _____

[020]@ 2
[021] _____
[022] _____
[023] _____
[025] _____
[026] _____
[027] _____
[028] _____

For agency use
[094] _____
[095] _____
[096] _____
[097] _____

T2-RETURN AND SCHEDULE INFORMATION

Name: Oshawa PUC Networks Inc. **PILs**

N: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[031]@	100 Simcoe Street South
[032]	
[035]	Oshawa
[036]	ON
[037]	
[038]	L1H 7M7

XXXXXXXXXXX

[040]	1	[166]		[220]	
[043]		[167]		[221]	
[063]	2	[168]		[226]	
[065]		[169]		[227]	
[067]	2	[170]		[231]	
[070]	2	[171]		[232]	
J71]	2	[172]		[233]	1
[072]	2	[173]	1	[236]	1
[076]	2	[201]	1	[237]	
[078]	2	[202]		[238]	
[080]	1	[203]		[242]	
[081]		[204]	1	[243]	
[082]	2	[205]		[244]	
[085]	4	[206]		[249]	
[150]	1	[207]		[250]	
[151]		[208]	1	[251]	
[160]	1	[210]		[252]	
[161]		[212]		[253]	
[162]	1	[213]		[291]	2
[163]		[216]		[292]	2
[164]	1	[217]		[370]	
[165]		[218]		[624]	

T2-RETURN AND SCHEDULE INFORMATION

Name: Oshawa PUC Networks Inc. **PILs**

N: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[646]	
[750]	ON
[801]	
[815]	
[894]	
[896]	2
[898]	
[910]	
[914]	
[918]	
[990]	1
	XXXXXXXXXXX
[280]	2
[281]	2
[282]	
[283]	
[284]	Utility Distribution
[286]	
[288]	
[285]	100
[287]	
[289]	
[950]	Perron
[951]	Luc
[954]	CFO
[955]	
[956]	905 723 4626
[957]	1
[958]	

[959]	
	XXXXXXXXXXX

T2-RETURN AND SCHEDULE INFORMATION

Name: Oshawa PUC Networks Inc. **PILs**

N: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[300]	3 578 771	[440]		[652]	
[311]		[445]		[700]	
[312]		[450]			XXXXXXXXXXX
[313]		[600]			
[314]		[632]		[704]	
[320]		[636]		[708]	
[325]		[780]		[716]	
[331]	3 578 771		XXXXXXXXXXX	[720]	
[332]				[724]	
[333]		[460]		[727]	
[334]		[465]		[728]	
[335]		[480]		[760]	
[340]		[485]		[765]	
[350]		[712]		[770]	
55]			XXXXXXXXXXX		XXXXXXXXXXX
[360]					
	XXXXXXXXXXX	[550]		[784]	
		[602]		[788]	
[400]	3 578 771	[604]		[792]	
[405]		[608]		[796]	
[410]	200 000	[616]		[797]	
[425]		[620]		[800]	
[430]		[628]		[804]	
	XXXXXXXXXXX	[637]		[808]	
		[638]		[812]	
[415]	103 598	[639]		[816]	
	XXXXXXXXXXX	[640]		[840]	
		[644]		[890]	
		[648]			XXXXXXXXXXX

T2-RETURN AND SCHEDULE INFORMATION

200

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[995]

Certification

I, Luc Perron am an authorized signing officer of the corporation.

I certify that the following amounts are, to the best of my knowledge, correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return for the taxation year noted above.

Net income (or loss) for income tax purposes [line 200300]	3 578 771
Part I tax payable [line 200700]	
Part I.3 tax payable [line 200704]	
Part II surtax payable [line 200708]	
Part IV tax payable [line 200712]	
Part IV.1 tax payable [line 200716]	
Part VI tax payable [line 200720]	
Part VI.1 tax payable [line 200724]	
Part XIV tax payable [line 200728]	
Net provincial and territorial tax payable [line 200760]	
Provincial tax on large corporations [line 200765]	

I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

Date	Signature of an authorized signing officer of the corporation	Position, office or rank
		CFO

T2-RETURN AND SCHEDULE INFORMATION

009

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[300]
1. 86486 7593 RC 0001
2. 85749 1336 RC 0001
3. 86579 9662 RC 0001 *

[400]
1. 1
2. 3
3. 3 *

XXXXXXXXXXX

[100]
1. OSHAWA POWER AND UTILITIES CORPORATION
2. OSHAWA PUC ENERGY SERVICES INC.
3. OSHAWA PUC SERVICES INC. *

[200]
1. _____
2. _____
3. _____ *

[500]
1. _____
2. _____
3. _____ *

[550]
1. _____
2. _____
3. _____ *

[600]
1. _____
2. _____
3. _____ *

[650]
1. _____
2. _____

T2-RETURN AND SCHEDULE INFORMATION

009

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

3. _____ *

[700] 1. _____

2. _____

3. _____ *

XXXXXXXXXXX

T2-RETURN AND SCHEDULE INFORMATION

023

Name: Oshawa PUC Networks Inc. **PILs**

N: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[025] _____

[050] 2002

[075] 2

[200]
1. 89172 5210 RC 0001
2. 86486 7593 RC 0001
3. 85749 1336 RC 0001
4. 86579 9662 RC 0001 *

[300]
1. 1
2. 1
3. 1
4. 1 *

[500]
1. _____
2. 2002 12 31
3. 2002 12 31
4. 2002 12 31 *

XXXXXXXXXXX

[400]
1. 200 000
2. _____
3. _____
4. _____ *

XXXXXXXXXXX

[100]
1. Oshawa PUC Networks Inc. PILs
2. OSHAWA POWER AND UTILITIES CORPORATION
3. OSHAWA PUC ENERGY SERVICES INC.
4. OSHAWA PUC SERVICES INC. *

XXXXXXXXXXX

T2-RETURN AND SCHEDULE INFORMATION

Name: Oshawa PUC Networks Inc. **PILs**

N: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[3640]	71 880 677
	XXXXXXXXXXX
[1000]	11 276 000
[1062]	8 032 000
[1120]	1 277 000
[1400]	15 000
[1480]	12 418 677
[1484]	145 000
[1599]	33 163 677
[1600]	99 000
[1680]	534 000
[1681]	# 204 000
[1740]	2 424 000
[1741]	# 2 080 000
[1742]	3 235 000
[1743]	# 2 664 000
[1774]	1 544 000
[1775]	# 1 459 000
[1782]	2 183 000
[1783]	80 892 000
[1784]	# 47 758 000
[2008]	90 911 000
[2009]	# 54 165 000
[2420]	1 971 000
[2589]	1 971 000
[2599]	71 880 677
	XXXXXXXXXXX
[2600]	
[2620]	12 401 000

[3139]	12 401 000
[3140]	23 064 000
[3320]	12 552 000
[3450]	35 616 000
[3499]	48 017 000
	XXXXXXXXXXX
[3500]	23 063 666
[3600]	800 011
[3620]	23 863 677
	XXXXXXXXXXX
[3660]	# 2 127 136
[3680]	2 927 147
[3849]	800 011
	XXXXXXXXXXX

T2-RETURN AND SCHEDULE INFORMATION

Name: Oshawa PUC Networks Inc. **PILs**

N: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[0001]			
[0002]			
	XXXXXXXXXXX		
[0003]			
	XXXXXXXXXXX		
[8519]	15 365 227	**[9270]**	9 606 000
[9369]	3 037 147	**[9367]**	13 799 080
[9899]		**[9368]**	102 620 080
[9970]	3 037 147		**XXXXXXXXXXX**
[9975]			
[9976]		**[9370]**	
[9980]		**[9659]**	0
[9985]			**XXXXXXXXXXX**
[9990]	110 000		
[9995]		**[9660]**	
[9999]	2 927 147	**[9898]**	0
	XXXXXXXXXXX		**XXXXXXXXXXX**
[8000]	104 186 227		
[8089]	104 186 227		
[8230]	1 471 000		
[8299]	105 657 227		
	XXXXXXXXXXX		
[8300]			
[8320]	88 821 000		
[8518]	88 821 000		
[8670]	3 079 080		
[8710]	1 114 000		

T2-RETURN AND SCHEDULE INFORMATION

Name: Oshawa PUC Networks Inc. **PILs**

N: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[100]	1
[101]	1
[102]	2
[103]	2
[104]	1
[105]	1
[106]	1
[107]	1
[108]	2

XXXXXXXXXXX

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

CLIENT COPY

For agency use
[055]

[001] 89172 5210 RC 0001
[060] 2002 01 01
[061] 2002 12 31
[099] TP06

XXXXXXXXXXX

X

[002] Oshawa PUC Networks Inc. PILs

[003] 2
[004] _____

XXXXXXXXXXX

[010]@ 2
[011] _____
[012] _____
[015] _____
[016] _____
[017] _____
[018] _____

For agency use
[091] _____
[092] _____
[093] _____

[020]@ 2
[021] _____
[022] _____
[023] _____
[025] _____
[026] _____
[027] _____
[028] _____

For agency use
[094] _____
[095] _____
[096] _____
[097] _____

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[031]@	100 Simcoe Street South
[032]	
[035]	Oshawa
[036]	ON
[037]	
[038]	L1H 7M7

XXXXXXXXXXX

[040]	1	[166]		[220]	
[043]		[167]		[221]	
[063]	2	[168]		[226]	
[065]		[169]		[227]	
[067]	2	[170]		[231]	
[070]	2	[171]		[232]	
[071]	2	[172]		[233]	1
[072]	2	[173]	1	[236]	1
[076]	2	[201]	1	[237]	
[078]	2	[202]		[238]	
[080]	1	[203]		[242]	
[081]		[204]	1	[243]	
[082]	2	[205]		[244]	
[085]		[206]		[249]	
[150]	1	[207]		[250]	
[151]		[208]	1	[251]	
[160]	1	[210]		[252]	
[161]		[212]		[253]	
[162]	1	[213]		[291]	2
[163]		[216]		[292]	2
[164]	1	[217]		[370]	
[165]		[218]		[624]	

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[646]		**[959]**	
[750]	ON		**XXXXXXXXXXX**
[801]			
[815]			
[894]			
[896]	2		
[898]			
[910]			
[914]			
[918]			
[990]	1		

XXXXXXXXXXX

[280]	2
[281]	2
[282]	
[283]	
[284]	Utility Distribution
[286]	
[288]	
[285]	100
[287]	
[289]	
[950]	Perron
[951]	Luc
[954]	CFO
[955]	
[956]	905 723 4626
[957]	1
[958]	

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[300]	3 578 771	[440]		[652]	
[311]		[445]		[700]	
[312]		[450]			XXXXXXXXXXX
[313]		[600]			
[314]		[632]		[704]	111 299
[320]		[636]		[708]	
[325]		[780]		[716]	
[331]	3 578 771		XXXXXXXXXXX	[720]	
[332]				[724]	
[333]		[460]		[727]	
[334]		[465]		[728]	
[335]		[480]		[760]	
[340]		[485]		[765]	
[350]		[712]		[770]	111 299
[355]			XXXXXXXXXXX		XXXXXXXXXXX
[360]		[550]		[784]	
	XXXXXXXXXXX	[602]		[788]	
[400]	3 578 771	[604]		[792]	
[405]		[608]		[796]	
[410]	200 000	[616]		[797]	
[425]		[620]		[800]	
[430]		[628]		[804]	
	XXXXXXXXXXX	[637]		[808]	
		[638]		[812]	
[415]	103 598	[639]		[816]	
	XXXXXXXXXXX	[640]		[840]	111 299
		[644]		[890]	111 299
		[648]			XXXXXXXXXXX

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[995]

Certification

I, Luc Perron am an authorized signing officer of the corporation.

I certify that the following amounts are, to the best of my knowledge, correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return for the taxation year noted above.

Net income (or loss) for income tax purposes [line 200300]	3 578 771
art I tax payable [line 200700]	
Part I.3 tax payable [line 200704]	111 299
Part II surtax payable [line 200708]	
Part IV tax payable [line 200712]	
Part IV.1 tax payable [line 200716]	
Part VI tax payable [line 200720]	
Part VI.1 tax payable [line 200724]	
Part XIV tax payable [line 200728]	
Net provincial and territorial tax payable [line 200760]	
Provincial tax on large corporations [line 200765]	

I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

Date	Signature of an authorized signing officer of the corporation	CFO Position, office or rank

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[600]	
[601]	
[602]	
[603]	
[604]	
[700]	
[701]	
[702]	
[703]	
[704]	

XXXXXXXXXXX

[101]	110 000	[118]		[204]	
[102]		[119]		[205]	
[103]		[120]		[206]	
[104]	3 079 080	[121]	7 005	[207]	
[105]		[122]		[208]	
[106]		[123]		[209]	
[107]		[124]		[210]	
[108]		[125]		[211]	
[109]		[126]	7 344 811	[212]	
[110]		[127]		[213]	
[111]	17 974	**[199]**		[214]	
[112]		[500]	10 558 870	[215]	
[113]			**XXXXXXXXXXX**	[216]	
[114]				[217]	
[115]		[201]		[218]	
[116]		[202]		[219]	
[117]		[203]		[220]	

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[221]		[300]		[401]	
[222]		[301]		[402]	
[223]		[302]		[403]	2 882 456
[224]		[303]		[404]	
[225]		[304]		[405]	
[226]		[305]		[406]	
[227]		[306]		[407]	
[228]		[307]		[408]	
[229]		[308]		[409]	
[230]		[309]		[410]	
[231]		[310]		[411]	
[232]		[311]		[413]	
[233]		[312]		[414]	7 024 790
[234]		[313]		[416]	
[235]		[314]		[417]	
[236]		[315]		[499]	
[237]		[316]		[510]	9 907 246
[238]		[340]			
[290]		[341]			XXXXXXXXXXX
[291]		[342]			
[292]		[343]			
[293]		[344]			
[294]		[345]			
	XXXXXXXXXXX	[346]			
		[390]			
		[391]			
		[392]			
		[393]			
		[394]			
			XXXXXXXXXXX		

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[100]	
[190]	
[300]	
[400]	
[485]	
[500]	
	XXXXXXXXXXX
[102]	4 013 774
[105]	
[110]	
[130]	3 578 771
[135]	
[140]	
[150]	
[180]	435 003
[901]	
[902]	
[903]	
[911]	
[912]	
[913]	
	XXXXXXXXXXX

[200]	
[205]	
[210]	
[220]	
[225]	
[240]	
[250]	
[280]	
[951]	
[952]	
[953]	
	XXXXXXXXXXX
[302]	
[305]	
[310]	
[330]	
[335]	
[340]	
[350]	
[380]	
[921]	
[922]	
[923]	
[931]	
[932]	
[933]	
	XXXXXXXXXXX

[402]	
[405]	
[410]	
[430]	
[440]	
[450]	
[480]	
[941]	
[942]	
[943]	
	XXXXXXXXXXX
[502]	
[510]	
[530]	
[550]	
[580]	
[961]	
[962]	
[963]	
	XXXXXXXXXXX

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[602] 1. _____ *

[632] 1. _____ *

XXXXXXXXXXX

[600] 1. _____ *

[630] 1. _____ *

[660] 1. _____ *

XXXXXXXXXXX

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[604] 1. _____ *

[606] 1. _____ *

[608] 1. _____ *

[620] 1. _____ *

XXXXXXXXXXX

[634] 1. _____ *

[636] 1. _____ *

[638] 1. _____ *

[650] 1. _____ *

XXXXXXXXXXX

[662] 1. _____ *

[664] 1. _____ *

[670] 1. _____ *

[675] 1. _____ *

[680] 1. _____ *

XXXXXXXXXXX

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[101] 2

[200]
1. 1
2. 8
3. 10
4. 12
5. 42
6. 13
7. 13 *

[211]
1. 1 070 027
2. _____
3. 17 722
4. _____
5. _____
6. _____
7. 6 060 *

[212]
1. 4
2. 20
3. 30
4. 100
5. 12
6. NA
7. NA *

XXXXXXXXXXX

[201]
1. 50 127 582
2. 710 042
3. 1 964 008
4. 72 950
5. 122 189
6. 43 681
7. _____ *

[203]
1. 2 140 054
2. _____
3. 65 447
4. _____
5. _____
6. _____
7. 12 121 *

[205]
1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____ *

[207]
1. _____
2. _____
3. 30 002
4. _____
5. _____
6. _____
7. _____ *

[213]
1. _____
2. _____
3. _____

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

4. _____
5. _____
6. _____
7. _____ *

[215]

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____ *

[217]

1. 2 047 904
2. 142 008
3. 594 519
4. 72 950
5. 14 663
6. 9 200
7. 1 212 *

[220]

1. 50 219 732
2. 568 034
3. 1 404 934
4. _____
5. 107 526
6. 34 481
7. 10 909 *

XXXXXXXXXXX

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[300]
1. 86486 7593 RC 0001
2. 85749 1336 RC 0001
3. 86579 9662 RC 0001 *

[400]
1. 1
2. 3
3. 3 *

XXXXXXXXXXX

[100]
1. OSHAWA POWER AND UTILITIES CORPORATION
2. OSHAWA PUC ENERGY SERVICES INC.
3. OSHAWA PUC SERVICES INC. *

[200]
1. _____
2. _____
3. _____ *

[500]
1. _____
2. _____
3. _____ *

[550]
1. _____
2. _____
3. _____ *

[600]
1. _____
2. _____
3. _____ *

[650]
1. _____
2. _____

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

3. _____ *

[700] 1. _____

2. _____

3. _____ *

XXXXXXXXXXX

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[100] 1. 1 *

[200] 1. 90 000 *

[300] 1. _____ *

[400] 1. 15 000 *

[500] 1. _____ *

[550] 1. _____ *

XXXXXXXXXXX

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[100] 1. Oshawa Power and Utilities Corporation *

[200]@ 1. 100 Simcoe Street South
Oshawa

ON

L1H 7M7 *

[300] 1. _____ *

[400] 1. _____ *

[500] 1. 90 000 *

[600] 1. _____ *

[700] 1. _____ *

XXXXXXXXXXX

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[025] _____

[050] 2002

[075] 2

[200]
1. 89172 5210 RC 0001
2. 86486 7593 RC 0001
3. 85749 1336 RC 0001
4. 86579 9662 RC 0001 *

[300]
1. 1
2. 1
3. 1
4. 1 *

[500]
1. _____
2. 2002 12 31
3. 2002 12 31
4. 2002 12 31 *

XXXXXXXXXXX

[400]
1. 200 000
2. _____
3. _____
4. _____ *

XXXXXXXXXXX

[100]
1. Oshawa PUC Networks Inc. PILs
2. OSHAWA POWER AND UTILITIES CORPORATION
3. OSHAWA PUC ENERGY SERVICES INC.
4. OSHAWA PUC SERVICES INC. *

XXXXXXXXXXX

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[100]		[401]		[820]	111 299
[610]	1 000	[402]	12 725	[861]	
[830]		[403]		[862]	
[850]		[404]		[870]	111 299
	XXXXXXXXXXX	[405]			XXXXXXXXXXX
		[406]			
[101]	7 344 811	[407]			
[103]	23 063 666	[490]	12 725		
[104]	800 011		XXXXXXXXXXX		
[105]					
[106]		[500]	59 466 190		
[107]			XXXXXXXXXXX		
[108]	28 270 427				
[109]		[701]			
[110]		[711]			
[111]		[712]			
[112]		[713]			
[121]		[790]			
[122]			XXXXXXXXXXX		
[123]					
[124]		[690]	59 466 190		
[190]	59 478 915	[801]	10 000 000		
	XXXXXXXXXXX	[811]	49 466 190		
			XXXXXXXXXXX		

T2-RETURN AND SCHEDULE INFORMATION

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[010] _____

[020] 2

[030] 2002

[300]
1. 89172 5210 RC 0001
2. 86486 7593 RC 0001
3. 85749 1336 RC 0001
4. 86579 9662 RC 0001 *

[500]
1. _____
2. 2002 12 31
3. 2002 12 31
4. 2002 12 31 *

XXXXXXXXXXX

[400]
1. 10 000 000
2. _____
3. _____
4. _____ *

XXXXXXXXXXX

[200]
1. Oshawa PUC Networks Inc. PILs
2. OSHAWA POWER AND UTILITIES CORPORATION
3. OSHAWA PUC ENERGY SERVICES INC.
4. OSHAWA PUC SERVICES INC. *

XXXXXXXXXXX

T2-RETURN AND SCHEDULE INFORMATION

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[3640]	71 880 677
	XXXXXXXXXXX
[1000]	11 276 000
[1062]	8 032 000
[1120]	1 277 000
[1400]	15 000
[1480]	12 418 677
[1484]	145 000
[1599]	33 163 677
[1600]	99 000
[1680]	534 000
[1681]	# 204 000
[1740]	2 424 000
[1741]	# 2 080 000
[1742]	3 235 000
[1743]	# 2 664 000
[1774]	1 544 000
[1775]	# 1 459 000
[1782]	2 183 000
[1783]	80 892 000
[1784]	# 47 758 000
[2008]	90 911 000
[2009]	# 54 165 000
[2420]	1 971 000
[2589]	1 971 000
[2599]	71 880 677
	XXXXXXXXXXX
[2600]	
?620]	12 401 000

[3139]	12 401 000
[3140]	23 064 000
[3320]	12 552 000
[3450]	35 616 000
[3499]	48 017 000
	XXXXXXXXXXX
[3500]	23 063 666
[3600]	800 011
[3620]	23 863 677
	XXXXXXXXXXX
[3660]	# 2 127 136
[3680]	2 927 147
[3849]	800 011
	XXXXXXXXXXX

T2-RETURN AND SCHEDULE INFORMATION

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[0001]			
[0002]			
	XXXXXXXXXXX		
[0003]			
	XXXXXXXXXXX		
[8519]	15 365 227	**[9270]**	9 606 000
[9369]	3 037 147	**[9367]**	13 799 080
[9899]		**[9368]**	102 620 080
[9970]	3 037 147		**XXXXXXXXXXX**
[9975]			
[9976]		**[9370]**	
[9980]		**[9659]**	0
9985]			**XXXXXXXXXXX**
[9990]	110 000		
[9995]		**[9660]**	
[9999]	2 927 147	**[9898]**	0
	XXXXXXXXXXX		**XXXXXXXXXXX**
[8000]	104 186 227		
[8089]	104 186 227		
[8230]	1 471 000		
[8299]	105 657 227		
	XXXXXXXXXXX		
[8300]			
[8320]	88 821 000		
[8518]	88 821 000		
[8670]	3 079 080		
8710]	1 114 000		

T2-RETURN AND SCHEDULE INFORMATION

Name: Oshawa PUC Networks Inc. **PILs**

BN: 89172 5210 RC 0001 **Taxation Year End: 2002-12-31**

[100]	1
[101]	1
[102]	2
[103]	2
[104]	1
[105]	1
[106]	1
[107]	1
[108]	2

XXXXXXXXXXX

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Page 413

2002 CT23 Corporations Tax and Annual Return

For taxation years commencing after May 4, 1999

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return**, together with the applicable schedules. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedules A or K) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

CLIENT COPY

MCBS Annual Return Required? *(Refer to Guide)* Yes [X] No [ ]

Page 1 of 24

Corporation's Legal Name *(including punctuation)* and Mailing Address

Oshawa PUC Networks Inc. PILs

100 Simcoe Street South

Oshawa
ON CA L1H-7M7

Ontario Corporations Tax Account No. (MOF)
1800157

This CT23 Return covers the Taxation Year
Start: year month day 2002-01-01
End: year month day 2002-12-31

Has address changed since last filed CT23 Return? Yes [ ] Date of Change: year month day

Date of Incorporation or Amalgamation
year month day 2000-11-01

Registered/Head Office Address

100 Simcoe Street South

Exempt return

Oshawa
ON CA L1H-7M7

Ontario Corporation No. (MCBS)

Location of Books and Records

100 Simcoe Street South

Oshawa
ON CA L1H-7M7

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter
891725210RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
Luc Perron	905-723-4626	

Jurisdiction Incorporated: Ontario

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)

ON CA -

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced: year month day
Ceased: year month day
(Not Applicable) [X]

Former Corporation Name *(Extra-Provincial Corporations only)* ***(Not Applicable)*** [X] (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 0

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please [X] this box. Schedule(s) A and K are not required (MCBS). [X] **No change**

Preferred Language/*Langue de préférence*
English *anglais* [X] French *français* [ ]

Ministry use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

Perron

Title: D [ ] Director O [X] Officer P [ ] Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 3 of 24
PUC Networks Inc.	1800157	2002-12-31	

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

[1]
1 [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
2 [ ] Other Private
3 [ ] Public
4 [ ] Non-share Capital
5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent): 100%

[2]
1 [ ] Family Farm Corporation s.1 (2)
2 [ ] Family Fishing Corporation s.1 (2)
3 [ ] Mortgage Investment Corporation s.47
4 [ ] Credit Union s.51
5 [ ] Bank Mortgage Subsidiary s.61 (4)
6 [ ] Bank s.1 (2)
7 [ ] Loan and Trust Corporation s.61 (4)
8 [ ] Non-resident Corporation s.2(2)(a) or (b)
9 [ ] Non-resident Corporation s.2(2)(c)
10 [ ] Mutual Fund Corporation s.48
11 [ ] Non-resident owned investment Corporation s.49
12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
14 [ ] Bare Trustee Corporation
15 [ ] Branch of Non-residents s.63(1)
16 [ ] Financial institution prescribed by Regulation only
17 [ ] Investment Dealer
18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either
20 [ ] Producer and seller of steam for uses other than for the generation of electricity
21 [ ] Insurance Exchange s.74.4
22 [ ] Farm Feeder Finance Co-operative Corporation
23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter

Specify major business activity
Electricity Distribution

Please "X" box(es) if applicable:

[ ] First Year of Filing
[ ] Amended Return
[ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required
[ ] Final Taxation Year up to Dissolution (wind-up)
[ ] Final Taxation Year before Amalgamation
[ ] Floating Fiscal Year End
[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
[ ] Acquisition of Control fed s.249(4)

Date Control was acquired
year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[X]	[ ]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[ ]	[X]
a Specified Refundable Tax Credit?	[ ]	[X]
you a Member of a Partnership or Joint Venture?	[ ]	[X]

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Income Tax

Page 4 of 19

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Inter. Bulletin 2617). Attach a schedule (or a copy of federal T2 SCH 5) showing allocation of gross revenue, salaries and wages, including applicable percentages.

Net income (loss) for Ontario purposes (per reconciliation schedule, page 16)	±	From 690	3,578,771.
Subtract: Charitable donations	–	1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule)*	–	2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3	–	3	0.
Subtract: Ontario political contributions *(Attach schedule)*	–	4	0.
Subtract: Federal Part VI.1 tax 0. X 9/4	–	5	0.
Subtract: Prior years' losses applied – Non-capital losses	–	From 704	3,578,771.
Net capital losses From 715 (page 17) 0. X inclusion rate 50.000000%	–	714	0.
Farm losses	–	From 724	0.
Restricted farm losses	–	From 734	0.
Limited partnership losses	–	From 754	0.
Taxable Income (Non-capital loss)	=	10	0.
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	0.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	0.	x	30	100.0000%	x	15.5000%	x	Days before May 2, 2000 22	0	÷	73 Total Days	365	= +	23	0.
From 10 (or 20 if applicable)	0.	x	30	100.0000%	x	14.5000%	x	Days after May 1, 2000 and before Jan 1, 2001 24	0	÷	73 Total Days	365	= +	25	0.
From 10 (or 20 if applicable)	0.	x	30	100.0000%	x	14.0000%	x	Days after Dec 31, 2000 and before Oct 1, 2001 26	0	÷	73 Total Days	365	= +	27	0.
From 10 (or 20 if applicable)	0.	x	30	100.0000%	x	12.5000%	x	Days after Sept 30, 2001 and before Jan 1, 2003 28	365	÷	73 Total Days	365	= +	29	0.
From 10 (or 20 if applicable)	0.	x	30	100.0000%	x	12.5000%	x	Days after Dec 31, 2002 and before Jan 1, 2004 31	0	÷	73 Total Days	365	= +	32	0.

Ontario Allocation

Income Tax Payable (before deduction of tax credits) 23 + 25 + 27 + 29 + 32 = 40 0.

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [ ] Yes [X] No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	0.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51 0.		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52 0.		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53 0.		
Federal Business limit for the year before the application of fed.s.125(5.1)	= 0.	54	0.
(not exceeding $ 200,000) *(Attach federal T2 SCH 23 if associated)*			
Add: Ontario enhancement of federal business limit	+ 55 200,000.		

Number of Days in Taxation Year

40,000 x X From	Days after Dec 31, 2000 and before Oct 1, 2001	0	÷	73 Total Days	365		55	200,000	÷	200,000	=+	42	0.
80,000 x X From	Days after Sept 30, 2001 and before Jan 1, 2003	365	÷	73 Total Days	365		55	200,000	÷	200,000	=+	43	80,000.
120,000 x X From	Days after Dec 31, 2002 and before Jan 1, 2004	0	÷	73 Total Days	365		55	200,000	÷	200,000	=+	46	0.

Ontario enhancement of federal business limit	42 + 43 + 46	=	80,000.	+ 44	80,000.	
Business Limit for Ontario purposes	55 + 44	=	280,000.	45	280,000.	
Income eligible for the IDSBC	From 30	100.0000%	* Ontario Allocation	x 56	0.	= 60 0.
				Least of	50, 54 or 45	

* **Note:** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Income Tax continued from Page 4

Calculation of IDSBC Rate

Number of Days in Taxation Year

	7.00%	x	Days after Dec 31, 1998 and before Jan 1, 2000	74	0	÷ 73	Total Days 365	= +	75	.0000
	7.50%	x	Days after Dec 31, 1999 and before Oct 1, 2001	76	0	÷ 73	Total Days 365	= +	77	.0000
	6.50%	x	Days after Sept 30, 2001 and before Jan 1, 2003	28	365	÷ 73	Total Days 365	= +	79	6.5000
	7.00%	x	Days after Dec 31, 2002 and before Jan 1, 2004	31	0	÷ 73	Total Days 365	= +	89	.0000

IDSBC Rate for Taxation Year [75] + [77] + [79] + [89] = [78] 6.5000

Claim From [60] 0. x From [78] 6.5000% = [70] 0.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in [114] below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** **Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** **Taxable Income of the corporation** From [10] (or [20] if applicable) + [80] 0.

If you are a member of an associated group (X) [81] [X] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Income (if loss, enter nil) **
See attached			+ [82] 2.
			+ [83] .
			+ [84] .

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. = [85] 2.

Number of Days in Taxation Year

Subtract: 200,000	x	Days before Jan 1, 2001	558	0	÷ 73	Total Days 365	= +	111	0.		
240,000	x	Days after Dec 31, 2000 and before Oct 1, 2001	26	0	÷ 73	Total Days 365	= +	112	0.		
280,000	x	Days after Sept 30, 2001 and before Jan 1, 2003	28	365	÷ 73	Total Days 365	= +	113	280,000.		
320,000	x	Days after Dec 31, 2002 and before Jan 1, 2004	31	0	÷ 73	Total Days 365	= +	115	0.		

[111] + [112] + [113] + [115] = 280,000. − [114] 280,000.

(If negative, enter nil) = [86] 0.

Calculation of Specified Rate for Surtax

Number of Days in Taxation Year

	4.67%	x	Days after Dec 31, 1998 and before Jan 1, 2000	74	0	÷ 73	Total Days 365	= +	92	.0000
	5.00%	x	Days after Dec. 31, 1999 and before Oct 1, 2001	76	0	÷ 73	Total Days 365	= +	93	.0000
	4.3330%	x	Days after Sept 30, 2001 and before Jan 1, 2003	28	365	÷ 73	Total Days 365	= +	95	4.3330
	4.6670%	x	Days after Dec 31, 2002 and before Jan 1, 2004	31	0	÷ 73	Total Days 365	= +	96	.0000

Specified rate of surtax for Taxation Year [92] + [93] + [95] + [96] = [94] 4.3330

From [86] 0. x From [94] 4.3330% = [87] 0.

From [87] 0. x From [60] 0. ÷ From [114] 280,000. = [88] 0.

Surtax Lesser of [70] or [88] = [100] 0

Continued on Page 6

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits ..... + 120 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 0.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 0. ÷ From 30 100.0000 % ÷ From 78 6.5000 % = 121 0.
Lesser of 56 or 121 — * Ontario Allocation

120 – 56 + 122 ..... + 122 0.

..... = 130 0.

Taxable Income ..... + From 10 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 0.

Add: Adjustments for Surtax on Canadian-controlled private corporations ..... + From 122 0.

Subtract: Taxable Income From 10 0. X Allocation % to jurisdictions outside Canada .0000 % .... – 140 0.

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses ..... – 141 0.

10 – 56 + 122 – 140 – 141 ..... = 142 0.

Number of Days in Taxation Year

Claim

143 0. X From 30 100.0000 % X 2.0000 % X (Days before Oct 1, 2001: 152 0 ÷ Total Days 73 365) = + 153 0.
Lesser of 130 or 142 — * Ontario Allocation

3 0. X From 30 100.0000 % X 1.5000 % X (Days after Sept 30, 2001 and before Jan 1, 2003: 28 0 ÷ Total Days 73 365) = + 154 0.
Lesser of 130 or 142 — * Ontario Allocation

143 0. X From 30 100.0000 % X 1.5000 % X (Days after Dec 31, 2002 and before Jan 1, 2004: 31 0 ÷ Total Days 73 365) = + 155 0.
Lesser of 130 or 142 — * Ontario Allocation

M&P claim for taxation year 153 + 154 + 155 ..... = 160 0.

* **Note:** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations ..... = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) *(Attach schedule)*. 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 ..... = 190 0.

continued on Page 7

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* ..... + 191 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F ..... + 192 0.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 Claim Form Certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed graduate students.
No. of Graduates From 6596
194 0
Eligible Credit From 6598 Summary Schedule G ..... + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by first-time Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* ..... + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
plies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* ..... + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible non-Canadian content film and television productions.
Eligible Credit From 7300 Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* ..... + 201 0.

Other (specify) _____ ..... + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** ..... = 225 0.

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** ..... = 230 0.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8.*** If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 18.***

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Page 419

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets [249] exceeds $5,000,000 ***or*** Total Revenue [250] exceeds $10,000,000.

* These amounts include the corporation's and associated corporations' share of any partnership(s)/joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s)/joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation** ..... + [240] 71,880,677.

*** Total Revenue of the corporation** ..... + [241] 105,657,227.

If you are a member of an associated group (x) [242] X (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total assets	* Total Revenue
See attached			+ [243] 23,070,282.	+ [244] 90,002.
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .

Aggregate Total Assets [240] + [243] + [245] + [247] , etc. ..... = [249] 94,950,959.

Aggregate Total Revenue [241] + [244] + [246] + [248] , etc. ..... = [250] 105,747,229.

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on Pages 19, 20 and 21 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on Page 19.)*

Gross CMT Payable ..... CMT Base From [2135] 0. (If negative, enter zero) X From [30] 100.0000 % (Ontario Allocation) X 4% = [276] 0.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)* ..... – [277] 0.

Subtract: Income Tax ..... – From [190] 0.

Net CMT Payable (If negative, enter Nil on Page 18.) ..... = [280] 0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 18.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 18*** and transfer [280] to ***Page 18***, and to ***Schedule D: Continuity of CMT Credit Carryovers,*** on ***Page 21.***

CMT Credit Carryover available ..... From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) ..... + From [190] 0.

Gross CMT Payable ..... + From [276] 0.

Subtract: Foreign Tax Credit for CMT purposes ..... – From [277] 0.

If [276] – [277] is negative, enter NIL in [290] ..... = 0. – [290] 0.

Income Tax eligible for CMT Credit ..... = [300] 0.

B. Income tax (after deduction of specified credits) ..... + From [230] 0.

Subtract: CMT credit used to reduce income taxes ..... – [310] 0.

Income Tax ..... = [320] 0.

Transfer to page 18

If A & B apply, [310] ***cannot exceed the lesser of*** [230], [300] ***and your CMT credit carryover available*** [2307].

only B applies, [310] ***cannot exceed the lesser of*** [230] ***and your CMT credit carryover available*** [2307].

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Capital Tax *(Refer to Guide)*

If your corporation is a Financial Institution (s.58(2)), proceed to page 14.

Your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in [480] and [430] are both $1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in [480] and [430] are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, it is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in [550] on Page 13 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B.15-79, Int.B.L-12 and Int.B.L-16)

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a).

Paid-up Capital

Paid-up capital stock	+	350	23,063,666.
Retained earnings (if deficit, deduct)	±	351	800,011.
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	+	352	0.
Loans and advances *(Attach schedule)*	+	353	28,270,427.
Bank loans	+	354	0.
Bankers acceptances	+	355	0.
Bonds and debentures payable	+	356	0.
Mortgages payable	+	357	0.
Lien notes payable	+	358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax)	+	359	7,344,811.
Contingent, investment, inventory and similar reserves	+	360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)*	+	361	0.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))*	+	362	0.
Subtotal	=	370	59,478,915.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)*	−	371	-17,880,183.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	−	372	0.
Total Paid-up Capital	=	380	77,359,098.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	−	381	0.
Net Paid-up Capital	=	390	77,359,098.

Eligible Investments *(Refer to Guide)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, term deposits, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Term deposits and investment certificates in foreign financial institutions for taxation years ending prior to December 15, 1999 *(Refer to Guide)*	+	400	0.
Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	0.
Mortgages due from other corporations	+	403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	0.
Loans and advances to unrelated corporations	+	405	12,725.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	15,000.
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	0.
Total Eligible Investments	=	410	27,725.

continued on Page 10

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Loans

Due to City of Oshawa	23,063,665.00
Customer deposits	4,339,007.00
Other (Development Fund)	788,622.00
Deferred revenue	79,133.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	28,270,427.00

Securities Held for Deposit	0.00
	12,725.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	12,725.00

UCC vs NBV

UCC per Ont Sch. 8		-52,345,616.00
NBV per F/S		36,745,759.00
less: land		-98,896.00
less: WIP		-2,181,430.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-17,880,183.00

Non-deductible reserves

Employee future benefits	6,795,569.00
Employee sick leave benefits	449,242.00
Environmental provision	100,000.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	7,344,811.00

Page 425

Capital Tax *continued from Page 9*

Total Assets

Total Assets per balance sheet	+	420	71,880,677.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	−	423	0.
Total Assets as adjusted	=	430	71,880,677.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	−	441	-17,880,183.
Subtract: Appraisal surplus if booked	−	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	89,760,860.

Investment Allowance (410 ÷ 450) x 390 ..... Not to exceed 410 = 460 23,894.

Taxable Capital 390 − 460 ..... = 470 77,335,204.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 105,657,227.

Total Assets (as adjusted) ..... From 430 71,880,677.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2002) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.

(Financial Institutions use calculations on page 14.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.**

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B and select and complete the one specific subsection (e.g. B4) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C. Next review, and if applicable, complete Section D. If Section D is not applicable review Section E and complete the applicable subsection: either E1 or E2. Note: if the corporation is a member of a connected partnership, please refer to the guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution.

Enter NIL in 550 on page 13 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1. If the taxation year end is before January 1, 2001 and 430 and 480 are both $1,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B2. If the taxation year end is after December 31, 2000 and 430 and 480 are both $1,500,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B3. If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B4. If taxable capital, 470 on page 10 is $2,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

continued on Page 11

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Capital Tax Calculation *continued from page 10*

B5. If taxable capital, 470 exceeds $2,000,000 but is $5,000,000 or less, complete the following calculations and transfer the total from 508 to 543 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From 470 0. X .3000% = + 490 0.

Deduct:

[$2,400,000 – From 470 0.] X 1.5% = – 492 0.

If 2,400,000 – 470 is negative, enter NIL in 492

(504 = 490 – 492) = 504 0. X From 30 100.0000 % Ontario Allocation X 0 / ** 365 (366 if leap year) = + 505 0.

Days in taxation year after May 4, 1999 and before Jan 1, 2000 552

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(b) From 470 0. X .3000% = + 490 0.

Deduct:

[$2,800,000 – From 470 0.] X 0.75% = – 493 0.

If 2,800,000 – 470 is negative, enter NIL in 493

(506 = 490 – 493) = 506 0. X From 30 100.0000 % Ontario Allocation X 0 / ** 365 (366 if leap year) = + 507 0.

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 553

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(c) From 470 0. X .3000% = + 490 0.

Deduct:

[$3,200,000 – From 470 0.] X 0.5% = – 495 0.

If 3,200,000 – 470 is negative, enter NIL in 495

(509 = 490 – 495) = 509 0. X From 30 100.0000 % Ontario Allocation X 0 / ** 365 (366 if leap year) = + 522 0.

Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 554

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(d) Capital Tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose taxable capital is $5,000,000 or less and that is not associated, is NIL. ..... + 0.

Total Capital Tax for the taxation year 505 + 507 + 522 ..... = 508 0.

Transfer to 543 on page 13 and complete the return from that point.

B6. If 470 exceeds **$5,000,000,** complete the following calculations and transfer the amount from 508 to 543 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From 470 0. X From 30 100.0000 % Ontario Allocation X .3000% X 0 / ** 365 (366 if leap year) ..... = + 502 0.

Days in taxation year before Oct 1, 2001 559

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) From 470 0.

Exemption – 0.

= 471 0. X From 30 100.0000 % Ontario Allocation X .3000% X 365 / ** 365 (366 if leap year) ..... = + 523 0.

Days in taxation year after Sept 30, 2001 560

Total Capital Tax for the taxation year 502 + 523 ..... = 508 0.

Transfer to 543 on page 13 and complete the return from that point.

*** If floating taxation year, refer to Guide.*

continued on Page 12

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Capital Tax Calculation *continued from page 11*

SECTION C

the corporation is a member of an associated group and/or partnership, complete the following two aggregate taxable capital calculations as applicable, and (x) [510] [X] (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation ..... + From [470] 77,335,204.

Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Names of associated corporations or related partners having a permanent establishment in Canada

See attached

			Taxable Capital
Aggregate Taxable Capital [470] + [531]	+	[531]	4,660.
	=	[540]	77,339,864.

If [540] above is $5,000,000 or less, the corporation's Capital Tax for the portion of the taxation year after September 30, 2001, is NIL.
Enter NIL in [523] in E1(d) or E2(b), as applicable.

If [540] above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the portion of the taxation year after September 30, 2001.

From [470] 77,335,204. ÷ From [540] 77,339,864. x 5,000,000 ..... = [541] 4,999,699.
Transfer to Section E2(b)

Calculation 2

Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent establishment in Canada

Names of Canadian & Foreign associated corporations or related partners with no permanent establishment in Canada

			Taxable Capital
Total Aggregate Taxable Capital [540] + [514]	+	[514]	0.
	=	[520]	77,339,864.

If [520] is greater than $2,000,000 and less than $3,200,000 and a portion of the taxation year is before October 1, 2001, the corporation must compute the following ratio.

From [470] 77,335,204. ÷ From [520] 0. = [521] .0000.
Transfer to Section E1(a) and/or (b) and/or (c) as applicable

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital at [520] is *$2,000,000 or less.*

Enter NIL in [550] and complete the return from that point.

continued on Page 13

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Capital Tax Calculation *continued from Page 12*

Page 128

SECTION E

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital at [520] *exceeds $2,000,000.*

E1. If the total aggregate taxable capital [520] exceeds **$2,000,000** but is **$3,200,000** or less, complete the following calculations and transfer the total From [508] to [543] and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From [470] 0. x .3000% = + [490] 0.

Deduct:

[$2,400,000 – From [520] 0. x 1.5% x From [521] .0000 = – [492] 0.]

If 2,400,000 – [520] is negative, enter NIL in [492]

Days in taxation year after May 4, 1999 and before Jan 1, 2000 [552]

([504] = [490] – [492]) = [504] 0. x From [30] 100.0000% Ontario Allocation x 0 / 365 ** (366 if leap year) = + [505] 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(b) From [470] 0. x .3000% = + [490] 0.

Deduct:

[$2,800,000 – From [520] 0. x 0.75% x From [521] .0000 = – [493] 0.]

If 2,800,000 – [520] is negative, enter NIL in [493]

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 [553]

([506] = [490] – [493]) = [506] 0. x From [30] 100.0000% Ontario Allocation x 0 / 365 ** (366 if leap year) = + [507] 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(c) From [470] 0. x .3000% = + [490] 0.

Deduct:

[$3,200,000 – From [520] 0. x 0.5% x From [521] .0000 = – [495] 0.]

If 3,200,000 – [520] is negative, enter NIL in [495]

Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 [557]

([509] = [490] – [495]) = [509] 0. x From [30] 100.0000% Ontario Allocation x 0 / 365 ** (366 if leap year) = + [522] 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(d) Capital Tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose total aggregate taxable capital at [540] is $5,000,000 or less is NIL. Enter NIL ..... = + [523] 0.

Total Capital Tax for the taxation year [505] + [507] + [522] + [523] ..... = [508] 0.

Transfer to [543] and complete the return from that point.

E2. If the total aggregate taxable capital at [520] exceeds **$3,200,000** complete the following calculations and transfer the total From [508] to [543], and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From [470] 77,335,204. x From [30] 100.0000% Ontario Allocation x .3000% x Days in taxation year before Oct 1, 2001 [555] 0 / 365 ** (366 if leap year) ..... = + [502] 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) From [470] 77,335,204.

From [541] (section C) – 4,999,699.

= [471] 72,335,505. x From [30] 100.0000% Ontario Allocation x .3000% x Days in taxation year after Sept 30, 2001 [560] 365 / 365 ** (366 if leap year) = + [523] 217,007.

Total Capital Tax for the taxation year [502] + [523] ..... = [508] 217,007.

*** If floating taxation year, refer to Guide.*

Transfer to [543] and complete the return from that point.

Capital Tax *before application of specified credits* ..... = [543] 217,007.

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* ..... – [546] 0.

Capital Tax [543] – [546] ..... = [550] 217,007.

Transfer to Page 18

continued on Page 14

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Capital Tax *continued from page 13*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 13, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. x 0.00% X From [30] % Ontario Allocation x [555] 0 ÷ ** 0 (366 if leap year) Days in taxation year = + [569] 0.
Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1

[570] 0. x [571] 0.00% X From [30] % Ontario Allocation x [555] 0 ÷ ** 0 (366 if leap year) Days in taxation year = + [574] 0.
Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)*

Capital Tax for Financial Institutions – other than Credit Unions (before Sections II) [569] + [574] = [575] 0.

*** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – [585] 0.

Financial institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) [ ] Yes

Capital Tax – Financial Institutions [575] – [585] ..... = [586] 0.
Transfer to [543] on Page13

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.
Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – [589] 0.

Premium Tax [588] – [589] ..... = [590] 0.
Transfer to page 18

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ± 600 3,578,771.
Transfer to page 16

Add:

Federal capital cost allowance	+ 601	2,882,456.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non allowable reserves. Balance beginning of year	+ 604	7,024,790.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	7,344,811.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.
Management fees, rents, royalties and similar payments to non-arms' length non-residents		

Number of Days in Taxation Year

612	0.	x 5 ÷ 15.5000 x	Days before May 2, 2000 22: 0	Total Days ÷ 73: 365	= + 630	0.
612	0.	x 5 ÷ 14.5000 x	Days after May 1, 2000 and before Jan 1, 2001 24: 0	Total Days ÷ 73: 365	= + 631	0.
	0.	x 5 ÷ 14.0000 x	Days after Dec 31, 2000 and before Oct 1, 2001 26: 0	Total Days ÷ 73: 365	= + 632	0.
612	0.	x 5 ÷ 12.5000 x	Days after Sept 30, 2001 and before Jan 1, 2003 28: 365	Total Days ÷ 73: 365	= + 633	0.
612	0.	x 5 ÷ 12.5000 x	Days after Dec 31, 2002 and before Jan 1, 2004 31: 0	Total Days ÷ 73: 365	= + 634	0.

Total add-back amount for Management fees, etc. 630 + 631 + 632 + 633 + 634 = 0. + 613 0.

Federal allowable business investment loss + 620 0.

Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* + 614 0.

Federal Scientific Research Expenses claimed in year from federal form T661 0.

Negative Ontario SR&ED Pool amounts from Ontario schedule 161 line 473 + 0.

= 0. + 615 0.

Subtotal of Additions 601 to 611 + 613 + 620 + 614 + 615 = 17,252,057. 640 17,252,057.
Transfer to page 16

continued on Page 16

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 15

Income (loss) for federal income tax purposes, per federal T2 SCH 1	From ± 600	3,578,771.
Subtotal of Additions	From + 640	17,252,057.

Deduct:

Ontario capital cost allowance	+ 650	2,882,456.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	7,024,790.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	7,344,811.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario research and development super allowance *(Attach schedule)*	+ 660	0.
Government Assistance relating to provincial deductions for scientific research and experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	+ 674	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.

Ontario New Technology Tax Incentive (ONTTI) Gross-up

Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

From 662 [0. x Gross-up of CCA 100 / From 30 .0000 Ontario Allocation] − From 662 0. = 663 0.

Workplace Child Care Tax Incentive: (***Applies*** to qualifying expenditures incurred after May 5, 1998.)

Qualifying expenditures: [665 0. x 30.00% x 100 / From 30 100.0000 Ontario Allocation] = 666 0.

Workplace Accessibility Tax Incentive: (***Applies*** to qualifying expenditures incurred after July 1, 1998.)

Qualifying expenditures: [667 0. x 100.00% x 100 / From 30 100.0000 Ontario Allocation] = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 0. x 30.00% x 100 / From 30 100.0000 Ontario Allocation] = 671 0.

Educational Technology Tax Incentive: (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: [672 0. x 15.00% x 100 / From 30 100.0000 Ontario Allocation] = 673 0.

Ontario allowable business investment loss	+ 678	0.
Ontario Scientific Research Expenses claimed in the year from Ontario form CT161	+ 679	0.
Total of other deductions allowed by Ontario *(Attach schedule)*	+ 664	0.

Subtotal of Deductions

650 to 660 + 674 + 661 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 664 ..... = 17,252,057. 680 17,252,057.

Net income (loss) for Ontario Purposes 600 + 640 − 680 ..... = 690 3,578,771.

Transfer to Page 4

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 4,013,774	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 0	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 0	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 3,578,771	715 (4) 0	724 0	734 (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 18 0	716 (2) to Page 18 0	726 (2) to Page 18 0	736 (2) to Page 18 0	746 0	
Subtotal	707 3,578,771	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 435,003	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) In the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 1994-09-30				850 0	870 0
801 1995-09-30				851 0	871 0
802 1996-09-30				852 0	872 0
803 1997-09-30	820 0	830 0	840 0	853 0	873 0
804 1998-09-30	821 0	831 0	841 0	854 0	874 0
805 1999-09-30	822 0	832 0	842 0	855 0	875 0
806 2000-09-30	823 0	833 0	843 0	856 0	876 0
807 2001-09-30	824 0	834 0	844 0	857 0	877 0
808 2001-12-31	825 435,003	835 0	845 0	858 0	878 0
809 2002-12-31	826 0	836 0	846 0	859 0	879 0
Total	829 435,003	839 0	849 0	869 0	889 0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- , after applying a loss carry-back to one or more previous years, there is a alance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Ministry of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910 0	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / Taxation Year Ending (year month day)				
i) 3rd preceding _____ 901	911 0	921 0	931 0	941 0
ii) 2nd preceding _____ 902	912 0	922 0	932 0	942 0
iii) 1st preceding _____ 903	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 0	929 0	939 0	949 0

mmary

Income tax	+ From 230 or 320		0.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		217,007.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		217,007.
Subtract: Payments	– 960		188,701.
Capital Gains Refund (s.48)	– 965		0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	– 985		0.
Specified Tax Credits *(Refer to Guide)*	– 955		0.
Other (specify) _____	–		0.
Balance	= 970		28,306.
If payment due	Enclosed * 990		28,306.
If overpayment: Refund *(Refer to Guide)*	= 975		0.
Apply to (year month day)	980		0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the MINISTER OF FINANCE*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order.

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

Luc Perron
Title

CFO
Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Loans

Due to City of Oshawa		23,063,665.00
Customer deposits		4,339,007.00
Other (Development Fund)		788,622.00
Deferred revenue		79,133.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	28,270,427.00

Securities Held for Deposit	0.00
	12,725.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	12,725.00

UCC vs NBV

UCC per Ont Sch. 8		-52,345,616.00
NBV per F/S		36,745,759.00
less: land		-98,896.00
less: WIP		-2,181,430.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-17,880,183.00

Non-deductible reserves

Employee future benefits	6,795,569.00
Employee sick leave benefits	449,242.00
Environmental provision	100,000.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	7,344,811.00

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

DOLLARS ONLY

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

et Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 2,927,147.

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes	+ 2101	0.	
Provision for deferred income taxes (credits)	+ 2102	0.	
Equity income from corporations	+ 2103	0.	
Share of partnership(s)/joint venture(s) income	+ 2104	0.	
Dividends received/receivable deductible under fed.s.112	+ 2105	0.	
Dividends received/receivable deductible under fed.s.113	+ 2106	0.	
Dividends received/receivable deductible under fed.s.83(2)	+ 2107	0.	
Federal Part VI.1 tax paid on dividends declared and paid after May 5, 1997, under fed.s.191.1(1) 0. X 9/4	+ 2108	0.	
Subtotal	=	0.	- 2109 0.

Add (to extent reflected in net income/loss):

Provision for current taxes	+ 2110	110,000.	
Provision for deferred income taxes (debits)	+ 2111	0.	
Equity losses from corporations	+ 2112	0.	
Share of partnership(s)/joint venture(s) losses	+ 2113	0.	
Dividends that have been deducted to arrive at net income per Financial Statements. ***Applies*** to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+ 2114	0.	
Subtotal	=	110,000.	+ 2115 110,000.

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	+ 2116	0. or	- 2117	0.
** Fed.s.85.1	+ 2118	0. or	- 2119	0.
** Fed.s.97	+ 2120	0. or	- 2121	0.
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	+ 2122	0. or	- 2123	0.
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	+ 2124	0. or	- 2125	0.
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	+ 2126	0. or	- 2127	0.
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income			- 2150	0.

Subtotal (Additions) = 0.

Subtotal (Subtractions) = 0. + 2128 0. - 2129 0.

** Other adjustments ± 2130 0.

Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130 = 2131 3,037,147.

** Share of partnership(s)/joint venture(s) **adjusted** net income/loss ± 2132 0.

Adjusted net income (loss) (if loss, transfer to 2202 *in Schedule B: Continuity of CMT Losses Carried Forward, Page 20.)* = 2133 3,037,147.

Deduct: * CMT losses: pre-1994 Loss + From 2210 0.

* CMT losses: other eligible losses + From 2211 3,037,147.

* CMT losses applied cannot exceed adjusted net income or increase a loss = 3,037,147. - 2134 3,037,147.

Retain calculations. Do not submit with this tax return.

CMT Base = 2135 0.

Transfer to CMT Base on Page 8

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2) ..... + 2201 4,134,650.

Add:
Current year's losses ..... + 2202 0.
Losses from predecessor corporations on amalgamation (3) ..... + 2203 0.
Losses from predecessor corporations on wind-up (3) ..... + 2204 0.
Amalgamation (x) 2205 ☐ Yes Wind-up (x) 2206 ☐ Yes

Subtotal ..... = 0. + 2207 0.

Adjustments (attach schedule) ..... ± 2208 0.

CMT losses available 2201 + 2207 ± 2208 ..... = 2209 4,134,650.

Subtract:
Pre-1994 loss utilized during the year to reduce adjusted net income ..... + 2210 0.
Other eligible losses utilized during the year to reduce adjusted net income (4) .. + 2211 3,037,147.
Losses expired during the year ..... + 2212 0.

Subtotal ..... = 3,037,147. - 2213 3,037,147.

Balances at End of Year (5) 2209 - 2213 ..... = 2214 1,097,503.

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	2001-12-31	2260 1,097,503	2280 0
2241	2002-12-31	2261 0	2281 0
2242		2262 0	2282 0
2243		2263 0	2283 0
2244		2264 0	2284 0
2245		2265 0	2285 0
2246		2266 0	2286 0
2247		2267 0	2287 0
2248		2268 0	2288 0
2249		2269 0	2289 0
Totals		2270 1,097,503	2290 0

The sum of amounts 2270 + 2290 *must equal amount in* 2214.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule D: Continuity of CMT Credit Carryovers

Balance at Beginning of year (1) ..... + 2301 0.

Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL) ..... + From 280 0.

CMT Credit Carryovers from predecessor corporations (2) ..... + 2302 0.

Amalgamation (x) 2303 ☐ Yes Wind-up (x) 2304 ☐ Yes

Subtotal ..... = 0. + 2305 0.

Adjustments *(Attach schedule)* ..... ± 2306 0.

CMT credit carryover available 2301 + 2305 ± 2306 ..... = 2307 0.

Transfer to Page 8

Subtract: CMT Credit utilized during the year to reduce income tax (Page 8) + From 310 0.

CMT Credit expired during the year ..... + 2308 0.

Subtotal ..... = 0. – 2309 0.

Balance at End of Year (3) 2307 – 2309 ..... = 2310 0.

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in 2310 must equal sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	2001-12-31	2360 0	2380 0
2341	2002-12-31	2361 0	2381 0
2342		2362 0	2382 0
2343		2363 0	2383 0
2344		2364 0	2384 0
2345		2365 0	2385 0
2346		2366 0	2386 0
2347		2367 0	2387 0
2348		2368 0	2388 0
		2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390 *must equal amount in* 2310.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corp. Tax Acct. No. : 1800157 Year Ended: 2002-12-31

ONTARIO CT23 SUPPLEMENTARY - LIST OF ASSOCIATED CORPORATIONS

Name of Associated Corporation	Ontario Corp. Tax Number	Taxation Year end	Taxable Capital	Total Assets (Note 1)	Total Revenue (Note 1)	Taxable Income (Note 2)	No Perm Estab in Canada
OSHAWA POWER AND UTILITIES COR		2002-12-31	2,658	23,068,280	90,000		0
OSHAWA PUC ENERGY SERVICES INC		2002-12-31	1,001	1,001	1		1
OSHAWA PUC SERVICES INC.		2002-12-31	1,001	1,001	1		1
TOTALS			4,660	23,070,282	90,002		2

Note 1: Enter total assets and total revenues only if "Corporate Minimum Tax (CMT)" is applicable.

Note 2: Enter Taxable Income amounts only if "Surtax on a CCPC" is applicable (i.e. IDSBC is applicable).

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Oshawa [illegible]C Networks Inc.
Corp. T[illegible] Acct. No. : 1800157 Year Ended: PILs 2002-12-31 Ont. Sch. 008

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	50,127,582	2,140,054	0	0	52,267,636	1,070,027	51,197,609	4	0	0	2,047,904	50,219,732
8	710,042	0	0	0	710,042	0	710,042	20	0	0	142,008	568,034
10	1,964,008	65,447	0	30,002	1,999,453	17,722	1,981,731	30	0	0	594,519	1,404,934
12	72,950	0	0	0	72,950	0	72,950	100	0	0	72,950	0
42	122,189	0	0	0	122,189	0	122,189	12	0	0	14,663	107,526
13	43,681	0	0	0	43,681	0	43,681		0	0	9,200	34,481
13	0	12,121	0	0	12,121	6,060	6,061		0	0	1,212	10,909
Total	53,040,452	2,217,622	0	30,002	55,228,072	1,093,809	54,134,263		0	0	2,882,456	52,345,616
								Enter in boxes	[650]	[650]	[650]	on the CT23

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Oshawa PUC Networks Inc.
89172521ORC0001
December 31, 2002

Pursuant to subsection 13(7.4) of the Income Tax Act, Oshawa PUC Networks Inc. is electing to reduce the capital cost of additions to Class 1 by $2,254,688.

Signature: _____

Luc Perron, Chief Financial Officer
Oshawa PUC Networks Inc.

Date: _____

Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200
Code 0301

055 Do not use this area

l, provincial, and territorial corporation income tax return, unless the corporation is or Alberta. If the corporation is located in one of these provinces, you have to file rate return.

ns, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may ain changes that had not yet become law at the time of printing. If you need more information about items on the rn, see the corresponding items in the *T2 Corporation – Income Tax Guide* (T4012).

nd one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to ur tax services office or tax centre. You have to file the return within six months after the end of the corporation's axation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

CLIENT COPY

Business Number (BN) 001 891725210RC0001

Corporation's name

002 Oshawa PUC Networks Inc. PILs

Has the corporation changed its name since the last time we were notified? . . . 003 1 Yes ☐ 2 No ☒

If *Yes*, do you have a copy of the articles of amendment? . . . . . 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? . . . . . 010 1 Yes ☐ 2 No ☒

011 100 Simcoe Street South

012

City	Province, territory, or state
015 Oshawa	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 L1H-7M7

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes ☐ 2 No ☒

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

031 100 Simcoe Street South

032

City	Province, territory, or state
035 Oshawa	036 ON
Country (other than Canada)	**Postal code/ZIP code**
037	038 L1H-7M7

040 **Type of corporation at the end of the taxation year**

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

If the type of corporation changed during the taxation year, provide the effective date of the change . . . . . 043 _____ YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year-end
060 2003-01-01 YYYY/MM/DD	061 2003-12-31 YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? . . . . . 063 1 Yes ☐ 2 No ☒

If *Yes*, give the date control was acquired . . . . . 065 _____ YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? . . . . . 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? . . . . . 070 1 Yes ☐ 2 No ☒
Amalgamation? . . . . . 071 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? . . . . . 072 1 Yes ☐ 2 No ☒

If *yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? . . . . . 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? . . . . . 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If *No*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . . 082 1 Yes ☐ 2 No ☒

If *yes*, complete and attach Schedule 91.

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

085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not print these schedules.

Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

Guide item			Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160	X	23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	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	X	11
33	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
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	X	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	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?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		—
46	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
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202		2
		203		3
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	204	X	4
69-76	Is the corporation claiming any type of losses?	205		5
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	206		6
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?			
103	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	Is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
124	Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	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
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128	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
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40
128	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Attachments – continued from page 2

Guide item		Yes	Schedule
130	Is the corporation subject to Part XIII.1 tax?		92 *
153	Is the corporation claiming a film or video production services tax credit refund?		T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		T1134-A
44	Did the corporation have any controlled foreign affiliates?		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?		T1135
44	Did the corporation transfer or loan property to a non-resident trust?		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		T1174
—	Is the corporation claiming the BC mining exploration tax credit?		421
—	Is the corporation claiming the BC SR&ED tax credit?		T666

Additional information

Is the corporation inactive? 280 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers) 281 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? 282
(Only complete if *Yes* was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

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

284	Utility Distribution	285	100%
286		287	0%
288		289	0%

Did the corporation immigrate to Canada during the taxation year? 291 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? 292 1 Yes ☐ 2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300 5,601,489	A
Deduct: Charitable donations from Schedule 2	311	0		
Gifts to Canada, a province, or a territory from Schedule 2	312	0		
Cultural gifts from Schedule 2	313	0		
Ecological gifts from Schedule 2	314	0		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	0		
Part VI.1 tax deduction from Schedule 43	325	0		
Non-capital losses of preceding taxation years from Schedule 4	331	435,003		
Net-capital losses of preceding taxation years from Schedule 4	332	0		
Restricted farm losses of preceding taxation years from Schedule 4	333	0		
Farm losses of preceding taxation years from Schedule 4	334	0		
Limited partnership losses of preceding taxation years from Schedule 4	335	0		
Taxable capital gains or taxable dividends allocated from a central credit union	340	0		
Prospector's and grubstaker's shares	350	0		
Subtotal		435,003	435,003	B
Subtotal (amount A minus amount B) (if negative, enter "0")			5,166,486	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions			355 0	D
Taxable income (amount C plus amount D)			360 5,166,486	
Income exempt under paragraph 149(1)(t)			370 0	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			5,166,486	Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Small business deduction

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

Page 447

Income from active business carried on in Canada from Schedule 7 ..... 400 5,601,489 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... 405 5,166,486 B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

200,000	x	Number of days in the taxation year before 2003 / Number of days in the taxation year	0 / 365	=	0	1
225,000	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	=	225,000	2
250,000	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0 / 365	=	0	3
275,000	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0 / 365	=	0	3.1

Add amounts at lines 1, 2, 3, and 3.1 225,000 4

Business limit (see notes 1 and 2 below) ..... 410 225,000 C

Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of dyas in the taxation 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 at line 410.

Business limit reduction:

Amount C 225,000 x 415 *** 111,301 / 11,250 D = ... 2,226,020 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 0 F

Small business deduction - 16.00% of whichever amount is least: A, B, C, or F ..... 430 0 G
(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible at 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 at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus $10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... 0 x 300,000 / line 4 above = 0 A

Net active business income (amount from line 400) * ..... 5,601,489 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt for Part I Tax ..... 5,166,486 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 5,166,486 5,166,486 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. 0 K

Total of amounts G, H, I, J, and K ..... 0 0 L

Amount F minus amount L (if negative, enter "0") ..... 0 M

Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

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

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Resource deduction

Taxable resource income ..... 435 | 0 A

Amount A	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	x 1% =	0	B
Amount A	0	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0 / 365	x 2% =	0	C
Amount A	0	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0 / 365	x 3% =	0	C.1

Resource deduction – total of amounts B, C, and C.1 ..... 438 | 0 D
(enter amount D on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... 5,166,486 E

Amount Z from Part 9 of Schedule 27	0 x 100/7	0	F
Amount QQ from Part 13 of Schedule 27		0	G
Taxable resource income from line 435 above		0	H
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	I
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0	J
Aggregate investment income from line 440 of page 6		0	K
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0	L
Total of amounts F, G, H, I, J, K, and L		0	0 M

Amount E minus amount M (if negative, enter "0") ..... 5,166,486 N

Amount N	5,166,486	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0 / 365	x 1% =	0	
Amount N	5,166,486	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 365	x 3% =	0	O
Amount N	5,166,486	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	x 5% =	258,324	P
Amount N	5,166,486	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 365	x 7% =	0	Q

General tax reduction for Canadian-controlled private corporations - total of amounts year 2001, O, P, and Q ..... 258,324 R
(enter amount R on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 of page 3 ..... 0 S

Amount Z from Part 9 of Schedule 27	0 x 100/7	0	T
Amount QQ from Part 13 of Schedule 27		0	U
Taxable resource income from line 435 above		0	V
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	W
Total of amounts T, U, V, and W		0	0 X

Amount S minus amount X (if negative, enter "0") ..... 0 Y

Amount Y	0	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0 / 365	x 1% =	0	
Amount Y	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 365	x 3% =	0	Z
Amount Y	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	x 5% =	0	AA
Amount Y	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 365	x 7% =	0	BB

General tax reduction - total of amounts year 2001, Z, AA, and BB ..... 0 CC
(enter amount CC on line 639 of page 7)

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7)	440	0 x 26 2/3% =	0 A
Foreign non-business income tax credit from line 632 on page 7		0	
Deduct:			
Foreign investment income (amount O from Part 1 of Schedule 7)	445	0 x 9 1/3% = 0 (if negative, enter "0")	0 B
Amount A minus amount B (if negative, enter "0")			0 C
Taxable income from line 360 on page 3		5,166,486	
Deduct:			
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0	
Foreign non-business income tax credit from line 632 of page 7		0 x 25/9 = 0	
Foreign business income tax credit from line 636 of page 7		0 x 3 = 0	
		0	0
		5,166,486 x 26 2/3% =	1,377,730 D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8)		1,246,157	
Deduct: Corporate surtax from line 600 of page 7		57,865	
Net amount		1,188,292	1,188,292 E
Refundable portion of Part I tax – Amount C, D, or E, whichever is less	450		0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year	460	0	
Deduct: Dividend refund for the previous taxation year	465	0	
		0	0 A
Add the total of:			
Refundable portion of Part I tax from line 450 above		0	
Total Part IV tax payable from line 360 on page 2 of Schedule 3		0	
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480	0	
		0	0 B
Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B	485		0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3	0	x 1/3	0 A
Refundable dividend tax on hand at the end of the taxation year from line 485 above			0 B
Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8)			0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Part I tax

Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 1,963,265 A

Corporate surtax calculation

Base amount from line A above	1,963,265	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	516,649	2
Investment corporation deduction from line 620 below	0	3
Federal logging tax credit from line 640 below	0	4
Federal qualifying environmental trust tax credit from line 648 below	0	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3	0	a	
28.00% of taxed capital gains	0	b	0 6
Part I tax otherwise payable (line A **plus** lines C and D **minus** line F)	0	c	
Total of lines 2 to 6			516,649 7
Net amount (line 1 minus line 7)			1,446,616 8

Corporate surtax – 4.00% of the amount on line 8 ..... 600 57,865 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0	i
Taxable income from line 360 on page 3	5,166,486		
Deduct:			
Amount on line 400, 405, 410, or 425 of page 4, whichever is less	0		
Net amount	5,166,486	5,166,486	ii

Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) 2,021,130 E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	516,649	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction – credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount N of page 4	637	0	
Resource deduction from line 438 of page 5		0	10
General tax reduction for CCPCs from amount R of page 5	638	258,324	
General tax reduction from amount CC of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
Subtotal		774,973	774,973 F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 1,246,157 G

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	1,246,157
Part I.3 tax payable from Schedule 33, 34, or 35	704	59,096
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		1,305,253

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0	
		0	0
Total tax payable	770		1,305,253 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0	
Dividend refund from page 6	784	0	
Federal capital gains refund from Schedule 18	788	0	
Federal qualifying environmental trust tax credit refund	792	0	
Canadian film or video production tax credit refund from Form T1131	796	0	
Film or video production services tax credit refund from Form T1177	797	0	
Tax withheld at source	800	0	
Total payments on which tax has been withheld	801	0	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0	
Provincial and territorial capital gains refund from Schedule 18	808	0	
Provincial and territorial refundable tax credits from Schedule 5	812	0	
Royalties deductible under Syncrude Remission Order	815	0	
Tax remitted under Syncrude Remission Order	816	0	
Tax instalments paid	840	1,305,253	
Total credits	890	1,305,253	1,305,253 B
Balance (line A minus line B)			0

Refund code 894 1 Overpayment 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 _____ Branch number

914 _____ Institution number 918 _____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 Chase Last name in block letters 951 Michael First name in block letters 954 Controller 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 further certify that the method of calculating income for this taxation year is consistent with that of the previous 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 956 905-723-4626 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☒ 2 No ☐

958 _____ Name in block letters 959 _____ Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Identification of the corporation (Imported Data)

Name of the corporation	Oshawa PUC Networks Inc.		
Business Number	891725210RC0001	Taxation year end	
Address	100 Simcoe Street South	City	Oshawa
Province, Territory	ON	Postal code	L1H-7M7

Balance Sheet

GIFI	Account	Description		Amount	Prior Year
Assets					
1599		Total current assets	+	36,994,000	33,163,677
2008		Total tangible capital assets	+	94,891,000	90,911,000
2009		Total accumulated amortization of tangible capital assets	-	57,086,000	54,165,000
2178		Total intangible capital assets	+	0	0
2179		Total accumulated amortization of intangible capital assets	-	0	0
2589		Total long term assets	+	2,961,000	1,971,000
2590		Assets held in trust	+	0	0
2599		**Total Assets** (mandatory field)	=	77,760,000	71,880,677
Liabilities					
3139		Total current liabilities		15,723,000	12,401,000
3450		Total long term liabilities		35,605,323	35,616,000
3460		Subordinated debt		0	0
3470		Amounts held in trust		0	0
3499		**Total liabilities** (mandatory field)		51,328,323	48,017,000
Shareholder equity					
3620		**Total shareholder equity** (mandatory field)		26,431,677	23,863,677
3640		**Total Liabilities and Shareholder Equity**		77,760,000	71,880,677
3849		**Retained Earnings/Deficit - End** (mandatory field)		3,368,011	800,011

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Current Assets

GIFI		Account	Description		Amount	Prior year
Cash and deposits						
1000	*		Cash and deposits		20,555,000	11,276,000
1001			Cash		0	0
1002			Deposits in Canadian banks and institutions - Canadian currency		0	0
1003			Deposits in Canadian banks and institutions - Foreign currency		0	0
1004			Deposits in foreign banks - Canadian currency		0	0
1005			Deposits in foreign banks - foreign currency		0	0
1006			Credit union central deposits		0	0
1007			Other cash like instruments		0	0
			Cash and deposits	+	20,555,000	11,276,000
Accounts receivable						
1060	*		Accounts receivable		0	0
1062			Trade accounts receivable		5,323,000	8,032,000
1064			Trade accounts receivable from related parties		0	0
1066			Taxes receivable		0	0
1067			Interest receivable		0	0
1068			Holdbacks receivable		0	0
1069			Leases receivable		0	0
1071			Accounts receivable from employees		0	0
1073			Amounts receivable from members of NPOs		0	0
			Accounts receivable	+	5,323,000	8,032,000
Allowance for doubtful accounts						
1061	*		Allowance for doubtful accounts		0	0
1063			Allowance for doubtful trade accounts receivable		0	0
1065			Allowance for doubtful trade accounts receivable related parties		0	0
1070			Allowance for doubtful amounts contained in leases receivable		0	0
1072			Allowance for doubtful accounts receivable from employees		0	0
			Allowance for doubtful accounts	-	0	0

Inventories

1120	*	Inventories		481,000	1,277,000
1121		Inventory of goods for sale		0	0
1122		Inventory parts and supplies		0	0
1123		Inventory properties		0	0
1124		Inventory of aggregates		0	0
1125		Work in progress		0	0
1126		Raw materials		0	0
1127		Inventory of securities		0	0
		Inventories	+	481,000	1,277,000

Short term investments

1180	*	Short term investments		0	0
1181		Canadian term deposits		0	0
1182		Canadian shares		0	0
1183		Canadian bonds		0	0
1184		Canadian treasury bills		0	0
1185		Securities purchased under resale agreements		0	0
1186		Other short term Canadian investments		0	0
1187		Short term foreign investments		0	0
		Short term investments	+	0	0

Loans and notes receivable

1240	*	Loans and notes receivable		0	0
1241		Demand loans receivable		0	0
1242		Other loans receivable		0	0
1243		Notes receivable		0	0
1244		Mortgages receivable		0	0
		Loans and notes receivable	+	0	0

Due from shareholder(s)/director(s)

1300	*	Due from shareholder(s)/director(s)		0	0
1301		Due from individual shareholder(s)		0	0
1302		Due from corporate shareholder(s)		0	0
1303		Due from director(s)		0	0
		Due from shareholder(s)/director(s)	+	0	0

1360		Investment in joint venture(s)/partnership(s)	+	0	0
1380		Due from joint venture(s)/partnerships(s)	+	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Due from/investment in related parties

1400	*	Due from/investment in related parties	336,000	15,000
1401		Demand notes from related parties	0	0
1402		Interest receivable from related parties	0	0
1403		Loans/advances due from related parties	0	0
		Due from/investment in related parties +	336,000	15,000

1460		Customers' liability under acceptances +	0	0

Other current assets

1480	*	Other current assets	10,258,000	12,418,677
1481		Deferred income taxes	0	0
1482		Accrued investment income	0	0
1483		Taxes recoverable/refundable	0	0
1484		Prepaid expenses	41,000	145,000
1485		Drilling advances	0	0
1486		Security/tender deposits	0	0
		Other current assets +	10,299,000	12,563,677

1599		**Total Current Assets** =	36,994,000	33,163,677

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Tangible Capital Assets

GIFI	Account	Description		Amount	Prior year
1600		Land	+	99,000	99,000
1601		Land improvements	+	0	0

Depletable assets

1620	*	Depletable assets		0	0
1622		Petroleum and natural gas properties		0	0
1624		Mining properties		0	0
1626		Deferred exploration and development charges		0	0
1628		Quarries		0	0
1630		Gravel pits		0	0
1632		Timber limits		0	0
		Depletable assets	+	0	0

Buildings

1680	*	Buildings		534,000	534,000
1682		Manufacturing and processing plant		0	0
1684		Buildings under construction		0	0
		Buildings	+	534,000	534,000

Machinery, equipment, furniture and fixtures

1740	*	Machinery, equipment, furniture and fixtures		2,511,000	2,424,000
1742		Motor vehicles		3,245,000	3,235,000
1744		Tools and dies		0	0
1746		Construction and excavating equipment		0	0
1748		Forestry and logging equipment		0	0
1750		Fishing gear and nets		0	0
1752		Mining equipment		0	0
1754		Oil and gas systems		0	0
1756		Production equipment for resource industries		0	0
1758		Production equipment for other than resource industries		0	0
1760		Exploration equipment		0	0
1762		Shipping equipment		0	0
1764		Ships and boats		0	0
1766		Aircraft		0	0
1768		Signs		0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Machinery, equipment, furniture and fixtures (cont'd)

1770	Small tools		0	0
1772	Radio and communication equipment		0	0
1774	Computer equipment/software		1,736,000	1,544,000
1776	Musical instruments		0	0
1778	Satellites		0	0
1780	Earth stations		0	0
1782	Machinery and equipment under construction		1,731,000	2,183,000
1783	Transportation equipment		85,035,000	80,892,000
1785	Other machinery and equipment		0	0
1787	Furniture and fixtures		0	0
	Machinery, equipment, furniture and fixtures	+	94,258,000	90,278,000

Other tangible capital assets

1900	* Other tangible capital assets		0	0
1902	Logging roads		0	0
1904	Asphalt and parking areas		0	0
1906	Wharves		0	0
1908	Fences		0	0
1910	Capital leases - buildings		0	0
1912	Capital leases - equipment		0	0
1914	Capital leases - vehicles		0	0
1916	Capital leases - others		0	0
1918	Leasehold improvements		0	0
1920	Other capital assets under construction		0	0
1921	Campsites		0	0
	Other tangible capital assets	+	0	0

2008	**Total Tangible Capital Assets**	=	94,891,000	90,911,000

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Accumulated Amortization of Tangible Capital Assets

GIFI	Account	Description		Amount	Prior year
1602		Land improvements	+	0	0
		Accumulated amortization of depletable assets			
1621	*	Depletable assets		0	0
1623		Petroleum and natural gas properties		0	0
1625		Mining properties		0	0
1627		Deferred exploration and development charges		0	0
1629		Quarries		0	0
1631		Gravel pits		0	0
1633		Timber limits		0	0
		Accumulated amortization of depletable assets	+	0	0
		Accumulated amortization of buildings			
1681	*	Buildings		250,000	204,000
1683		Manufacturing and processing plant		0	0
		Accumulated amortization of buildings	+	250,000	204,000
		Accumulated amortization of machinery, equipment, furniture and fixtures			
1741	*	Machinery, equipment, furniture and fixtures		2,191,000	2,080,000
1743		Motor vehicles		2,779,000	2,664,000
1745		Tools and dies		0	0
1747		Construction and excavating equipment		0	0
1749		Forestry and logging equipment		0	0
1751		Fishing gear and nets		0	0
1753		Mining equipment		0	0
1755		Oil and gas systems		0	0
1757		Production equipment for resource industries		0	0
1759		Production equipment for other than resource industries		0	0
1761		Exploration equipment		0	0
1763		Shipping equipment		0	0
1765		Ships and boats		0	0
1767		Aircraft		0	0
1769		Signs		0	0
1771		Small tools		0	0
1773		Radio and communication equipment		0	0
1775		Computer equipment/software		1,533,000	1,459,000
1777		Musical instruments		0	0
1779		Satellites		0	0
1781		Earth stations		0	0
1784		Transportation equipment		50,333,000	47,758,000
1786		Other machinery and equipment		0	0
1788		Furniture and fixtures		0	0
		Accumulated amortization of machinery, equipment, furniture and fixtures	+	56,836,000	53,961,000

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Accumulated amortization of other tangible capital assets

1901	*	Other tangible capital assets	0	0
1903		Logging roads	0	0
1905		Asphalt and parking areas	0	0
1907		Wharves	0	0
1909		Fences	0	0
1911		Capital leases - buildings	0	0
1913		Capital leases - equipment	0	0
1915		Capital leases - vehicles	0	0
1917		Capital leases - others	0	0
1919		Leasehold improvements	0	0
1922		Campsites	0	0
		Accumulated amortization of other tangible capital assets +	0	0

2009		**Total Accumulated Amortization of Tangible Capital Assets** =	57,086,000	54,165,000

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Long Term Assets

GIFI		Account	Description		Amount	Prior year
Due from shareholder(s)/director(s)						
2180	*		Due from shareholder(s)/director(s)		0	0
2181			Due from individual shareholder(s)		0	0
2182			Due from corporate shareholder(s)		0	0
2183			Due from director(s)		0	0
			Due from shareholder(s)/director(s)	+	0	0
2190			Due from members	+	0	0
2200			Investment in joint venture(s)/partnership(s)	+	0	0
2220			Due from joint venture(s)/partnership(s)	+	0	0
Due from/investment in related parties						
2240	*		Due from/investment in related parties		0	0
2241			Due from/investment in Canadian related parties		0	0
2242			Shares in Canadian related corporations		0	0
2243			Loans/advances to Canadian related corporations		0	0
2244			Investment in Canadian related corporations at cost		0	0
2245			Investment in Canadian related corporations at equity		0	0
2246			Due from/investment in foreign related parties		0	0
2247			Shares in foreign related corporations		0	0
2248			Loans/advances to foreign related corporations		0	0
2249			Investment in foreign related corporations at cost		0	0
2250			Investment in foreign related corporations at equity		0	0
			Due from/investment in related parties	+	0	0
2280			Investment in co-tenancy	+	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Long term investments

2300	*	Long term investments	0	0
2301		Foreign shares	0	0
2302		Other types of foreign investments	0	0
2303		Canadian shares	0	0
2304		Government of Canada debt	0	0
2305		Canadian, provincial and municipal government debt	0	0
2306		Canadian corporate bonds and debentures	0	0
2307		Debt securities	0	0
2308		Equity securities	0	0
2309		Securities purchased under resale agreements	0	0
2310		Central credit union shares	0	0
2311		Other Canadian long term investments	0	0
		Long term investments +	0	0

Long term loans

2360	*	Long term loans	0	0
2361		Mortgages	0	0
2362		Personal and credit card loans	0	0
2363		Business and government loans	0	0
2364		Line of credit	0	0
		Long term loans +	0	0

Other long term assets

2420	*	Other long term assets	2,961,000	1,971,000
2421		Deferred income taxes	0	0
2422		Deferred pension charges	0	0
2423		Deferred unrealized exchange losses	0	0
2424		Other deferred items/charges	0	0
2426		Reserve fund	0	0
2427		Cash surrender value of life insurance	0	0
		Other long term assets +	2,961,000	1,971,000

2425		Accumulated amortization of deferred charges -	0	0

2589		**Total Long Term Assets** =	2,961,000	1,971,000

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Current Liabilities

GIFI	Account	Description		Amount	Prior year
2600		Bank overdraft	+	0	0
		Amounts payable and accrued liabilities			
2620	*	Amounts payable and accrued liabilities		15,723,000	12,401,000
2621		Trade payables		0	0
2622		Trade payables to related parties		0	0
2623		Holdbacks payable		0	0
2624		Wages payable		0	0
2625		Management fees payable		0	0
2626		Bonuses payable		0	0
2627		Employee deductions payable		0	0
2628		Withholding taxes payable		0	0
2629		Interest payable		0	0
2630		Amounts payable to members of NPOs		0	0
		Amounts payable and accrued liabilities	+	15,723,000	12,401,000
2680		Taxes payable	+	0	0
		Short term debt			
2700	*	Short term debt		0	0
2701		Loans from Canadian banks		0	0
2702		Liability for securities sold short		0	0
2703		Liability for securities sold under repurchase agreements		0	0
2704		Gold and silver certificates		0	0
2705		Cheques and other items in transit		0	0
2706		Lien notes		0	0
		Short term debt	+	0	0
2770		Deferred income	+	0	0
		Due to shareholder(s)/director(s)			
2780	*	Due to shareholder(s)/director(s)		0	0
2781		Due to individual shareholder(s)		0	0
2782		Due to corporate shareholder(s)		0	0
2783		Due to director(s)		0	0
		Due to shareholder(s)/director(s)	+	0	0
2840		Due to joint venture(s)/partnership(s)	+	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Due to related parties

2860	* Due to related parties		0	0
2861	Demand notes due to related parties		0	0
2862	Interest payable to related parties		0	0
2863	Advances due to related parties		0	0
	Due to related parties	+	0	0
2920	Current portion of long term liability	+	0	0
2940	Bankers' acceptances	+	0	0

Other current liabilities

2960	* Other current liabilities		0	0
2961	Deposits received		0	0
2962	Dividends payable		0	0
2963	Deferred income taxes		0	0
2964	Reserve for guarantees, warranties or indemnities		0	0
2965	General provisions/reserves		0	0
2966	Crew shares		0	0
	Other current liabilities	+	0	0
3139	**Total Current Liabilities**	=	15,723,000	12,401,000

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Long Term Liabilities

GIFI	Account	Description		Amount	Prior year
Long term debt					
3140	*	Long term debt		23,064,000	23,064,000
3141		Mortgages		0	0
3142		Farm credit corporation loan		0	0
3143		Chartered bank loan		0	0
3144		Credit Union/Caisse Populaire loan		0	0
3145		Provincial government loan		0	0
3146		Supply company loan		0	0
3147		Private loan		0	0
3148		Centrals, leagues, and federation loans		0	0
3149		Line of credit		0	0
3150		Liability for securities sold short		0	0
3151		Liability for securities sold under repurchase agreements		0	0
3152		Lien notes		0	0
		Long term debt	+	23,064,000	23,064,000
3200		Deposit liabilities of financial institutions	+	0	0
3210		Bonds and debentures	+	0	0
3220		Deferred income	+	0	0
3240		Deferred income taxes	+	0	0
Due to shareholder(s)/director(s)					
3260	*	Due to shareholder(s)/director(s)		0	0
3261		Due to individual shareholder(s)		0	0
3262		Due to corporate shareholder(s)		0	0
3263		Due to director(s)		0	0
		Due to shareholder(s)/director(s)	+	0	0
3270		Due to members	+	0	0
3280		Due to joint venture(s)/partnership(s)	+	0	0
Due to related parties					
3300	*	Due to related parties		0	0
3301		Amounts owing to related Canadian parties		0	0
3302		Amounts owing to related foreign parties		0	0
		Due to related parties	+	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Other long term liabilities

3320	* Other long term liabilities		12,541,323	12,552,000
3321	Long term obligations/commitments/capital leases		0	0
3322	Reserves for guarantees, warranties or indemnities		0	0
3323	Provision for site restoration		0	0
3324	Contributions to qualifying environmental trust		0	0
3325	General provisions/reserves		0	0
3326	Preference shares restated		0	0
3327	Member allocations		0	0
3328	Deferred revenue from incomplete contracts		0	0
	Other long term liabilities	+	12,541,323	12,552,000

3450	**Total Long Term Liabilities**	=	35,605,323	35,616,000

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Shareholder Equity

GIFI	Account	Description		Amount	Prior year
Shareholder equity					
3500		Common shares	+	23,063,666	23,063,666
3520		Preferred shares	+	0	0
Contributed and other surplus					
3540	*	Contributed and other surplus		0	0
3541		Contributed surplus		0	0
3542		Appraisal surplus		0	0
3543		General reserve		0	0
		Contributed and other surplus	+	0	0
3570		Head office account	+	0	0
3600		Retained earnings/deficit	+	3,368,011	800,011
3620		**Total Shareholder Equity**	=	26,431,677	23,863,677

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Retained Earning/Deficit

GIFI	Account	Description		Amount	Prior year
3660		Retained earnings/deficit - start	+	800,011	-2,127,136
3680		Net income/loss	+	3,093,000	2,927,147
		Dividends declared			
3700	*	Dividends declared		525,000	0
3701		Cash dividends		0	0
3702		Patronage dividends		0	0
		Dividends declared	-	525,000	0
3720		Prior period adjustments	+	0	0
		Other items affecting retained earnings			
3740	*	Other items affecting retained earnings		0	0
3741		Share redemptions		0	0
3742		Special reserves		0	0
3743		Currency adjustments		0	0
3744		Unusual revenue items		0	0
3745		Interfund transfer		0	0
		Other items affecting retained earnings	+	0	0
3849		**Retained Earnings/Deficit - End**	=	3,368,011	800,011

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Income Statement

GIFI	Description
0001	Operating name
0002	Description of the operation
0003	Sequence Number

GIFI	Account	Description		Amount	Prior year
Income Statement Information					
8089		Total sales of goods and services	+	93,250,000	104,186,227
8518		Cost of sales	-	75,512,000	88,821,000
8519		**Gross profit/loss**	=	17,738,000	15,365,227
8518		Cost of sales	+	75,512,000	88,821,000
9367		Total operating expenses	+	14,246,000	13,799,080
9368		**Total expenses** (mandatory field)	=	89,758,000	102,620,080
8299		Total revenue (mandatory field)	+	94,792,000	105,657,227
9368		Total expenses (mandatory field)	-	89,758,000	102,620,080
9369		**Net non-farming income**	=	5,034,000	3,037,147
Farming Income Statement Information					
9659		Total farm revenue (mandatory field)	+	0	0
9898		Total farm expenses (mandatory field)	-	0	0
9899		**Net farm income**	=	0	0
9970		**Net Income/Loss before Taxes and Extraordinary Items**		5,034,000	3,037,147

Extraordinary items and income taxes (linked to Schedule 140)

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

9975	**Extraordinary item(s)**	0	0
9976	Legal settlements	0	0
9980	**Unrealized gains/losses**	0	0
9985	**Unusual items**	0	0
9990	**Current income taxes**	1,941,000	110,000
9995	**Deferred income tax provision**	0	0
9999	**Net Income/Loss after Taxes and Extraordinary Items** (mandatory field)	3,093,000	2,927,147

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Revenue

GIFI	Account	Description		Amount	Prior year
8000		Trade sales of goods and services	+	93,250,000	104,186,227
8020		Sales of goods and services to related parties	+	0	0
8030		Interdivisional sales	+	0	0

Sales from resource properties

8040	*	Sales from resource properties		0	0
8041		Petroleum and natural gas sales		0	0
8042		Petroleum and natural gas sales to related parties		0	0
8043		Gas marketing		0	0
8044		Processing revenue		0	0
8045		Pipeline revenue		0	0
8046		Seismic sales		0	0
8047		Mining revenue		0	0
8048		Coal revenue		0	0
8049		Oil sands revenue		0	0
8050		Royalty income		0	0
8051		Oil and gas partnership/joint venture income/loss		0	0
8052		Mining partnership/joint venture income/loss		0	0
8053		Other production revenue		0	0
		Sales from resource properties	+	0	0

8089		**Total sales of goods and services**	=	93,250,000	104,186,227

Investment revenue

8090	*	Investment revenue		0	0
8091		Interest from foreign sources		0	0
8092		Interest from Canadian bonds and debentures		0	0
8093		Interest from Canadian mortgage loans		0	0
8094		Interest from other Canadian sources		0	0
8095		Dividend income		0	0
8096		Dividends from Canadian sources		0	0
8097		Dividends from foreign sources		0	0
		Investment revenue	+	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Interest income (financial institutions)

8100	*	Interest income (financial institutions)	0	0
8101		Loan interest	0	0
8102		Securities interest	0	0
8103		Deposits with banks interest	0	0
		Interest income (financial institutions) +	0	0

Commission revenue

8120	*	Commission revenue	0	0
8121		Commission income on real estate transactions	0	0
		Commission revenue +	0	0

Rental revenue

8140	*	Rental revenue	0	0
8141		Real estate rental revenue	0	0
8142		Film rental revenue	0	0
		Rental revenue +	0	0

8150		Vehicle leasing +	0	0

Fishing revenue

8160	*	Fishing revenue	0	0
8161		Fish products	0	0
8162		Other marine products	0	0
8163		Fishing grants, credits and rebates	0	0
8164		Fishing subsidies	0	0
8165		Compensation for loss of fishing income or property	0	0
8166		Sharesman income	0	0
		Fishing revenue +	0	0

Realized gains/losses on disposal of assets

8210	*	Realized gains/losses on disposal of assets	0	0
8211		Realized gains/losses on sale of investments	0	0
8212		Realized gains/losses on sale of resource properties	0	0
		Realized gains/losses on disposal of assets +	0	0

NPO amounts received

8220	NPO amounts received		0	0
8221	Membership fees		0	0
8222	Assessments		0	0
8223	Gifts		0	0
8224	Gross sales and revenues from organizational activities		0	0
	NPO amounts received	+	0	0

Other revenue

8230	* Other revenue		1,542,000	1,471,000
8231	Foreign exchange gains/losses		0	0
8232	Income/loss of subsidiaries/affiliates		0	0
8233	Income/loss of other divisions		0	0
8234	Income/loss of joint ventures		0	0
8235	Income/loss of partnerships		0	0
8236	Realization of deferred revenues		0	0
8237	Royalty income other than resource		0	0
8238	Alberta royalty tax credits		0	0
8239	Management and administration fees		0	0
8240	Telecommunications revenue		0	0
8241	Consulting fees		0	0
8242	Subsidies and grants		0	0
8243	Sale of by-products		0	0
8244	Deposit services		0	0
8245	Credit services		0	0
8246	Card services		0	0
8247	Patronage dividends		0	0
8248	Insurance recoveries		0	0
8249	Expense recoveries		0	0
8250	Bad debt recoveries		0	0
	Other revenue	+	1,542,000	1,471,000

8299	**Total Revenue**	=	94,792,000	105,657,227

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Cost of Sales

GIFI	Account	Description		Amount	Prior year
Opening inventory					
8300	*	Opening inventory		0	0
8301		Opening inventory - finished goods		0	0
8302		Opening inventory - raw materials		0	0
8303		Opening inventory - goods in process		0	0
		Opening inventory	+	0	0
8320		Purchases/cost of materials	+	75,512,000	88,821,000
8340		Direct wages	+	0	0
8350		Benefits on direct wages	+	0	0
8360		Trades and sub-contracts	+	0	0
8370		Production costs other than resource	+	0	0
Resource production costs					
8400	*	Resource production costs		0	0
8401		Pipeline operations		0	0
8402		Drilling		0	0
8403		Site restoration costs		0	0
8404		Gross overriding royalty		0	0
8405		Freehold royalties		0	0
8406		Other producing properties rental		0	0
8407		Prospect/geological		0	0
8408		Well operating, fuel and equipment		0	0
8409		Well abandonment and dry holes		0	0
8410		Other lease rentals		0	0
8411		Exploration expenses		0	0
8412		Development expenses		0	0
		Resource production costs	+	0	0
Crown charges					
8435	*	Crown charges		0	0
8436		Crown royalties		0	0
8437		Crown lease rentals		0	0
8438		Freehold mineral tax		0	0
8439		Mining taxes		0	0
8440		Oil sand leases		0	0
8441		Saskatchewan resource surcharge		0	0
		Crown charges	+	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Other direct costs

8450	*	Other direct costs	0	0
8451		Equipment hire and operation	0	0
8452		Log yard	0	0
8453		Forestry costs	0	0
8454		Logging road costs	0	0
8455		Stumpage costs	0	0
8456		Royalty costs	0	0
8457		Freight in and duty	0	0
8458		Inventory write down	0	0
8459		Direct cost amortization of tangible assets	0	0
8460		Direct cost amortization of natural resource assets	0	0
8461		Overhead expenses allocated to cost of sales	0	0
		Other direct costs +	0	0

Closing inventory

8500	*	Closing inventory	0	0
8501		Closing inventory - finished goods	0	0
8502		Closing inventory - raw materials	0	0
8503		Closing inventory - goods in process	0	0
		Closing inventory -	0	0

8518		**Cost of Sales** =	75,512,000	88,821,000

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Operating Expenses

GIFI	Account	Description		Amount	Prior year
Advertising and promotion					
8520	*	Advertising and promotion		0	0
8521		Advertising		0	0
8522		Donations		0	0
8523		Meals and entertainment		0	0
8524		Promotion		0	0
		Advertising and promotion	+	0	0
8570		Amortization of intangible assets	+	0	0
8590		Bad debt expense	+	0	0
Loan losses					
8610	*	Loan losses		0	0
8611		Provision for loan losses		0	0
		Loan losses	+	0	0
Employee benefits					
8620	*	Employee benefits		0	0
8621		Group insurance benefits		0	0
8622		Employer's portion of employee benefits		0	0
8623		Contributions to deferred income plans		0	0
		Employee benefits	+	0	0
8650		Amortization of natural resource assets	+	0	0
8670		Amortization of tangible assets	+	2,921,702	3,079,080
Insurance					
8690	*	Insurance		0	0
8691		Life insurance on executives		0	0
		Insurance	+	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Interest and bank charges

8710	*	Interest and bank charges		1,672,000	1,114,000
8711		Interest on short term debt		0	0
8712		Interest on bonds and debentures		0	0
8713		Interest on mortgages		0	0
8714		Interest on long term debt		0	0
8715		Bank charges		0	0
8716		Credit card charges		0	0
8717		Collection and credit costs		0	0
		Interest and bank charges	+	1,672,000	1,114,000

Interest paid (financial institutions)

8740	*	Interest paid (financial institutions)		0	0
8741		Interest paid on deposits		0	0
8742		Interest paid on bonds and debentures		0	0
		Interest paid (financial institutions)	+	0	0

Business taxes, licences and memberships

8760	*	Business taxes, licences and memberships		0	0
8761		Memberships		0	0
8762		Business taxes		0	0
8763		Franchise fees		0	0
8764		Government fees		0	0
		Business taxes, licences and memberships	+	0	0

8780		New Brunswick tax on large corporations	+	0	0
8790		Nova Scotia tax on large corporations	+	0	0

Office expenses

8810	*	Office expenses		0	0
8811		Office stationery and supplies		0	0
8812		Office utilities		0	0
8813		Data processing		0	0
		Office expenses	+	0	0

Professional fees

8860	* Professional fees		0	0
8861	Legal fees		0	0
8862	Accounting fees		0	0
8863	Consulting fees		0	0
8864	Architect fees		0	0
8865	Appraisal fees		0	0
8866	Laboratory fees		0	0
8867	Medical fees		0	0
8868	Veterinary fees		0	0
8869	Brokerage fees		0	0
8870	Transfer fees		0	0
8871	Management and administration fees		0	0
8872	Refining and assay		0	0
8873	Registrar and transfer agent fees		0	0
8874	Restructuring costs		0	0
8875	Security and exchange commission fees		0	0
8876	Training expense		0	0
8877	Studio and recording		0	0
	Professional fees	+	0	0

Rental

8910	* Rental		0	0
8911	Real estate rental		0	0
8912	Occupancy costs		0	0
8913	Condominium fees		0	0
8914	Equipment rental		0	0
8915	Motor vehicle rentals		0	0
8916	Moorage (boat)		0	0
8917	Storage		0	0
8918	Quota rental		0	0
	Rental	+	0	0

Repairs and maintenance

8960	* Repairs and maintenance		0	0
8961	Repairs and maintenance - buildings		0	0
8962	Repairs and maintenance - vehicles		0	0
8963	Repairs and maintenance - boats		0	0
8964	Repairs and maintenance - machinery and equipment		0	0
	Repairs and maintenance	+	0	0

Other repairs and maintenance

9010	* Other repairs and maintenance		0	0
9011	Machine shop expense		0	0
9012	Road costs		0	0
9013	Security		0	0
9014	Garbage removal		0	0
	Other repairs and maintenance	+	0	0

Salaries and wages

9060	*	Salaries and wages		0	0
9061		Commissions		0	0
9062		Crew share		0	0
9063		Bonuses		0	0
9064		Directors fees		0	0
9065		Management salaries		0	0
9066		Employee salaries		0	0
		Salaries and wages	+	0	0

9110		Sub-contracts	+	0	0

Supplies

9130	*	Supplies		0	0
9131		Small tools		0	0
9132		Shop expense		0	0
9133		Uniforms		0	0
9134		Laundry		0	0
9135		Food and catering		0	0
9136		Fishing gear		0	0
9137		Nets and traps		0	0
9138		Salt, bait and ice		0	0
9139		Camp supplies		0	0
9150		Computer-related expenses		0	0
9151		Upgrade		0	0
9152		Internet		0	0
		Supplies	+	0	0

9180		Property taxes		0	0

Travel expenses

9200	*	Travel expenses		0	0
9201		Meetings and conventions		0	0
		Travel expenses	+	0	0

Utilities

9220	*	Utilities		0	0
9221		Electricity		0	0
9222		Water		0	0
9223		Heat		0	0
9224		Fuel costs		0	0
9225		Telephone and telecommunications		0	0
		Utilities	+	0	0

Other expenses

9270	*	Other expenses	9,652,298	9,606,000
9271		Cash over/short	0	0
9272		Reimbursement of parent company expense	0	0
9273		Selling expenses	0	0
9274		Shipping and warehouse expense	0	0
9275		Delivery, freight and express	0	0
9276		Warranty expenses	0	0
9277		Royalty expenses - resident	0	0
9278		Royalty expenses - non-resident	0	0
9279		Dumping charges	0	0
9280		Land fill fees	0	0
9281		Vehicle expenses	0	0
9282		Research and development	0	0
9283		Withholding taxes	0	0
9284		General and administrative expenses	0	0
9285		Interdivisional	0	0
9286		Interfund transfer	0	0
		Other expenses	+ 9,652,298	9,606,000

9367		**Total Operating Expenses**	= 14,246,000	13,799,080

* Generic Item

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NOTES CHECKLIST
(1998 and later taxation years)

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information.
- For more information, see the "Guide to the General Index of Financial Information (GIFI) for Corporations" and the "T2 Corporation Income Tax Guide."
- The following questions have to be answered:
  - questions 100, 101, and 108;
  - if you answer "yes" to question 101, you have to answer questions 102 to 107;
  - if you answer "yes" to question 108, you have to answer question 109.

Part 1 - Involvement of accountant

Who reported on or prepared the corporation's financial statements? 100

Tick only one of the following:

		[X]
An independent auditor with a report that expressed no reservation	1	[X]
An independent auditor with a report that expressed a reservation	2	[ ]
An independent accountant with a review engagement report that expressed no reservation	3	[ ]
An independent accountant with a review engagement report that expressed a reservation	4	[ ]
An independent accountant who conducted a compilation engagement with no review	5	[ ]
An independent accountant with a compilation and review engagement resulting in no reservation	6	[ ]
An independent accountant with a compilation and review engagement resulting in a reservation	7	[ ]
Prepared by an employee/associate/management of the company, or a person for the company, without a review/audit by an independent accountant/auditor	8	[ ]

Part 2 - Other information

		Yes/No
Were notes to the financial statements prepared?	101	[Y]
Are any values presented at other than cost?	102	[N]
Has there been a change in accounting policies since the last return?	103	[N]
Are subsequent events mentioned in the notes?	104	[N]
Is re-evaluation of asset information mentioned in the notes?	105	[N]
Is contingent liability information mentioned in the notes?	106	[Y]
Is information regarding commitments mentioned in the notes?	107	[Y]
Does the corporation have investments in joint venture(s) or partnership(s)?	108	[N]
If "yes," are you filing financial statements of the joint venture(s) or partnership(s)?	109	[ ]

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements			3,093,000	A
Additions:				
Provision for income taxes - current	101	1,941,000		
Amortization of tangible assets	104	2,921,702		
Non-deductible meals and entertainment expenses	121	8,821		
Reserves from financial statements - balance at the end of the year	126	7,685,345		
Subtotal of additions		12,556,868	12,556,868	
Other Additions:				
Miscellaneous Other Additions:				
Subtotal of Other Additions	199	0	0	
Total Additions	500	12,556,868	12,556,868	
Deductions:				
Capital cost allowance from Schedule 8	403	2,703,568		
Reserves from financial statements-balance at the beginning of the year	414	7,344,811		
Subtotal of Deductions		10,048,379	10,048,379	
Other Deductions:				
Miscellaneous Other Deductions:				
Subtotal of Other Deductions	499	0	0	
Total Deductions	510	10,048,379	10,048,379	
Net income (loss) for income tax purposes (enter on line 300 on the T2 return)			5,601,489	

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CORPORATION LOSS CONTINUITY AND APPLICATION
(2000 and later taxation years)

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, "Losses - Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs, referred to on this schedule are from the federal "Income Tax Act."

Part 1 - Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		5,601,489
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	0	0
Subtotal (if positive, enter "0")		0
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions		0
Subtotal		0
Add: (decrease a loss)		
Current-year farm loss		0
Current-year non-capital loss (if positive, enter "0")		0

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		435,003	
Deduct: Non-capital loss expired after seven taxation years	100	0	
Non-capital losses at beginning of taxation year	102	435,003	
Add: Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	0	435,003

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Continuity of non-capital losses and request for a carryback (cont'd)

Deduct:

Amount applied against taxable income (enter on line 331 of the T2 return)	130	435,003	
Amount applied against taxable dividends subject to Part IV tax	135	0	
Section 80 - Adjustments for forgiven amounts	140	0	
Subsection 111(10) - Adjustments for fuel tax rebate		0	
Other adjustments	150	0	435,003
		Subtotal	0

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

First preceding taxation year to reduce taxable income	901	0	
Second preceding taxation year to reduce taxable income	902	0	
Third preceding taxation year to reduce taxable income	903	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913	0	0
Non-capital losses - Closing balance	180		0

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 Yes [ ]

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	0	
Current-year capital loss (from Schedule 6 calculation)	210	0	0
Add:			
Allowable business investment loss expired as non-capital loss	0x 4/3	220	0
		Subtotal	0

Deduct:

Amount applied against current-year capital gain (see note 1)	225	0	
Section 80 - Adjustments for forgiven amounts	240	0	
Other adjustments	250	0	0
		Subtotal	0

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year	0	951	0	
Second preceding taxation year	0	952	0	
Third preceding taxation year	0	953	0	0
Capital losses - Closing balance		280		0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Part 2 - Capital losses

Continuity of capital losses and request for a carryback (cont'd)

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.
Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.
For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determine by dividing the total taxable capital gain by the total capital gain.

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

Part 3 - Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year		0	
Deduct: Farm loss expired after 10 taxation years	300	0	
Farm losses at beginning of taxation year	302	0	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330	0	
Amount applied against taxable dividends subject to Part IV tax	335	0	
Section 80 - Adjustment forgiven amount	340	0	
Other adjustments	350	0	0
		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	0	
Second preceding taxation year to reduce taxable income	922	0	
Third preceding taxation year to reduce taxable income	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	0	0
Farm losses - Closing balance	380		0

Restricted Farm Loss Determination:
Is the corporation exempt from the restricted farm loss rules?
(A reply of "NO" triggers the restricted farm loss rules.) [Y/N] [Y]

Part 4 - Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485		0	A
Minus the deductible farm loss:				
$2,500 plus B or C, whichever is less			2,500	
(Amount A above 0 - $2,500) divided by 2 =		0 B		
		6,250 C	0	2,500
Current-year restricted farm loss (enter this amount on line 410)				0

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		0	
Deduct: Restricted farm loss expired after 10 taxation years	400	0	
Restricted farm losses at beginning of taxation year	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430	0	
Section 80 - Adjustments for forgiven amounts	440	0	
Other adjustments	450	0	0
		Subtotal	0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941	0	
Second preceding taxation year to reduce farming income	942	0	
Third preceding taxation year to reduce farming income	943	0	0
Restricted farm losses - Closing balance	480		0

Note

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

Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			0
Deduct: Listed personal property loss expired after seven taxation years	500		0
Listed personal property losses at beginning of taxation year	502		0
Add: Current-year listed personal property loss (from Schedule 6)	510		0
		Subtotal	0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530	0	
Other adjustments	550	0	0
		Subtotal	0
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961	0	
Second preceding taxation year to reduce listed personal property gains	962	0	
Third preceding taxation year to reduce listed personal property gains	963	0	0
Listed personal property losses - Closing balance	580		0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

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 <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	0	0	0	N/A	0	0	
2002	0	N/A	0	N/A	0	0	0	
2001	435,003	N/A	0	N/A	435,003	0	0	
2001	0	N/A	0	N/A	0	0	0	
2000	0	N/A	0	N/A	0	0	0	
1999	0	N/A	0	N/A	0	0	0	
1998	0	N/A	0	N/A	0	0	0	
1997	0	N/A	0	N/A	0	0	0	*
Total	435,003	0	0	0	435,003	0	0	

Farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	0	0	0	N/A	0	0	
2002	0	N/A	0	N/A	0	0	0	
2001	0	N/A	0	N/A	0	0	0	
2001	0	N/A	0	N/A	0	0	0	
2000	0	N/A	0	N/A	0	0	0	
1999	0	N/A	0	N/A	0	0	0	
1998	0	N/A	0	N/A	0	0	0	
1997	0	N/A	0	N/A	0	0	0	
1996	0	N/A	0	N/A	0	0	0	
1995	0	N/A	0	N/A	0	0	0	
1994	0	N/A	0	N/A	0	0	0	*
Total	0	0	0	0	0	0	0	

Restricted farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	0	0	0	N/A	N/A	0	
2002	0	N/A	0	N/A	0	N/A	0	
2001	0	N/A	0	N/A	0	N/A	0	
2001	0	N/A	0	N/A	0	N/A	0	
2000	0	N/A	0	N/A	0	N/A	0	
1999	0	N/A	0	N/A	0	N/A	0	
1998	0	N/A	0	N/A	0	N/A	0	
1997	0	N/A	0	N/A	0	N/A	0	
1996	0	N/A	0	N/A	0	N/A	0	
1995	0	N/A	0	N/A	0	N/A	0	
1994	0	N/A	0	N/A	0	N/A	0	*
Total	0	0	0	0	0	N/A	0	

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

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	50,219,732	4,145,203	0	0	2,072,601	4	0	0	2,091,693	52,273,242
8	568,034	83,466	0	0	41,733	20	0	0	121,953	529,547
10	1,404,934	162,962	0	0	81,481	30	0	0	445,925	1,121,971
42	107,526	0	0	0	0	12	0	0	12,903	94,623
13	34,481	0	0	0	0		0	0	9,200	25,281
13	10,909	0	0	0	0		0	0	2,424	8,485
12	0	38,940	0	0	19,470	100	0	0	19,470	19,470
Total	52,345,616	4,430,571	0	0	2,215,285		0	0	2,703,568	54,072,619

Oshawa PUC Networks Inc.
89172521ORC0001
December 31, 2003

Pursuant to subsection 13(7.4) of the Income Tax Act, Oshawa PUC Networks Inc. is electing to reduce the capital cost of additions to Class 1 by $1,899,538.

Signature: _____

Michael Chase, Controller
Oshawa PUC Networks Inc.

Date: _____

RELATED AND ASSOCIATED CORPORATIONS

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporation(s)

Name	Ctry of resi-dence	Business Number (Note)	Rela-tion-ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre-ferred shares owned	Book value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
OSHAWA POWER AND UTILITIES COR		864867593RC0001	1	0	0.00	0	0.00	0
OSHAWA PUC ENERGY SERVICES INC		857491336RC0001	3	0	0.00	0	0.00	0
OSHAWA PUC SERVICES INC.		865799662RC0001	3	0	0.00	0	0.00	0

Note: Enter "NR" if a corporation is not registered.

Relationship code:

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

TRANSACTIONS WITH SHAREHOLDERS, OFFICERS, OR EMPLOYEES

Provide the details of any transactions with shareholders, officers or employees that involve:

- payments the corporation made or amounts credited to the account of shareholders, officers, or employees, which were not part of their remuneration or reimbursement of expenses;
- assets the corporation sold to or purchased from shareholders, officers, or employees, including those for which an election was made under section 85; or
- loans or indebtedness to shareholders, officers, or employees, or persons connected with a shareholder, which were not repaid by the end of the taxation year.

Relationship code (see note)	Payments	Reimbursement (Other than reimbursement of expenses)	Loans receivable from, or debts owing to	Assets sold or purchased	Does Section 85 apply to assets sold or purchased?
	$	$	$	$	[Y/N]
100	200	300	400	500	550
1	300,000	0	65,462	0	[ ]

Note: Enter the code number of the relationship that applies:
(if more than one relationship exists, enter the lowest applicable number)

1 - Shareholder
2 - Officer
3 - Employee

Canada Customs and Revenue Agency/Agences des douanes et du revenu du Canada

MISCELLANEOUS PAYMENTS TO RESIDENTS (1998 and later taxation years)

- This schedule must be completed by all corporations who made the following payments to residents of Canada:
  royalties for which the corporation has not filed a T5 slip; research and development fees; management fees; technical assistance fees; and similar payments.
- Please enter the name and address of the recipient and the amount of the payment in the applicable column. If several payments of the same type (i.e., management fees) were made to the same person, enter the total amount paid. If similar types of payments have been made, but do not fit into any of the categories, enter these amounts in the column entitled "Similar payments".

Name of recipient	Address of recipient 1 = Address 1 2 = Address 2 3 = City 4 = Province, Country, Postal Code and Zip Code or Foreign Postal Code	Royalties	Research and development fees	Management fees	Technical assistance fees	Similar payments
100	200	300	400	500	600	700
Oshawa Power and Utilitie	100 Simcoe Street South Oshawa ON L1H-7M7	0	0	300,000	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT (2003 and later taxation years)

- 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 purposes of 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 taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the "Income Tax Act," not to be associated for purposes of the small business deduction.

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

Column 3: Enter the code 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" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation."

Column 4: Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an 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 times 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 is equal to an amount in one of the following ranges, whichever applies:

- from $200,001 to $225,000, if the calendar year to which this agreement applies is 2003;
- from $225,001 to $250,000, if the calendar year to which this agreement applies is 2004;
- from $250,001 to $275,000, if the calendar year to which this agreement applies is 2005; or
- from $275,001 to $300,000, if the calendar year to which this agreement applies is 2006 or after.

Column 7: Complete this column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Allocation of the business limit

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

Enter the calendar year to which the agreement applies ..... 050 Year 2003

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? ..... 075 [Y/N] [N]

1	2	3	4	5	6	7
Names of associated corporations	Business Number of associated corporations	Association code	Business limit for the year (before the allocation) $	Percentage of the business limit %	Business limit allocated* $	Taxation year end to which this agreement applies (YYYY/MM/DD)
100	200	300		350	400	500
Oshawa PUC Networks Inc.	891725210RC0001	1	225,000	100.0000	225,000	
See attached			675,000	.0000	0	
			Total	100.0000	225,000A	

Business limit reduction under subsection 125(5.1)

The business limit reduction is calculated in the small business deduction area ot the T2 return. One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return. If the corporation is a member of an associated group of corporations in the current taxation year, the amount to be entered at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada** of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year.

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

** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the "Income Tax Act."

*** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	5	6	7	8
Name of associated corporation [100]	Business Number of associated corporation [200]	Asso-ciation code [300]	Business limit before the allo-cation	Percentage of the business limit allocated [350]	Business limit allocated [400]	Taxation year end to which this agreement applies [500]	Part I.3 Tax
OSHAWA POWER AND UTILITIES COR	864867593RC0001	1	225,000	.0000	0		0
OSHAWA PUC ENERGY SERVICES INC	857491336RC0001	1	225,000	.0000	0		0
OSHAWA PUC SERVICES INC.	865799662RC0001	1	225,000	.0000	0		2
TOTALS			675,000	.0000	0		2

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART I.3 TAX ON LARGE CORPORATIONS
(2000 and later taxation years)

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before the deduction for surtax credits.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act."
- 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.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) a non-resident-owned investment corporation throughout the year;
  2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  4) exempt from tax under section 149 throughout the year on all of its taxable income;
  5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" no later than six months from the end of the taxation year.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. 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 amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	7,685,345
Capital stock (or members' contributions if incorporated without share capital)	103	23,063,666
Retained earnings	104	3,368,011
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	27,920,791
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	0
Any dividends declared but not paid by the corporation before the end of the year	110	0
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Part 1 - Capital (cont'd)

Proportion of the amount, if any, by which the total of all amounts (that would be determined under lines 101, 107, 108, 109, 111, and 112) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses (see note below)	112	0	
Deduct the following amounts:	Subtotal	62,037,813	62,037,813 A
Deferred tax debit balance at the end of the year	121	0	
Any deficit deducted in computing the shareholders' equity	122	0	
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123		
The amount of deferred unrealized foreign exchange losses	124	0	
		0	
	Subtotal	0	0 B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		62,037,813

Note:

Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- Amounts owing to the member or to corporations that are other members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- Amounts at these lines apply to partnerships in the same way that they apply to corporations.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

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	0
A loan or advance to another corporation (other than a financial institution)	402	349,010
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	0
Long-term debt of a financial institution	404	0
A dividend receivable on a share of the capital stock of another corporation	405	0
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	0
An interest in a partnership (see note 1 below)	407	0
Investment allowance for the year	490	349,010

Part 2 - Investment allowance (cont'd)

Notes:

1) Where the corporation has an interest in a partnership, the carrying value at the end of the taxation year, of that interest is deemed to be equal to that proportion of the total of the carrying value of each asset of the partnership described in 401 to 405 above, at the end of its last fiscal period ending at or before the end of the year, that the corporation's share of the partnership's income or loss is of the partnership's income or loss for that period.

2) 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 by reason of paragraph 181.1(3)(d)).

3) Where, in certain circumstances, 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, according to subsection 181.2(6).

Part 3 - Taxable capital

Capital for the year (line 190)		62,037,813	C
Deduct: Investment allowance for the year (line 490)		349,010	D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	61,688,803	

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)	61,688,803	X	Taxable income earned in Canada	610	5,166,486	**Taxable capital employed in Canada**	690	61,688,803
			Taxable income		5,166,486			

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 taxation 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.

Part 4 - Taxable capital employed in Canada (cont'd)

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 it carried on during the year through a permanent establishment in Canada	701		0
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	0	
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 it carried on during the year through a permanent establishment in Canada	712	0	
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 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	0	
Total deductions (add lines 711, 712, and 713)		0	0 E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")	790		0

Note:
Complete line 713 only if the country in which the corporation is resident imposed neither a capital tax for the year on similar assets, nor 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 of gross Part I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)		61,688,803
Deduct: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36)	801	9,705,997
Excess of taxable capital employed in Canada over capital deduction	811	51,982,806

Gross Part I.3 Tax

Year	Line 811		Number of days		Number of days in the taxation year				
Before 2004	51,982,806	x	(365	/	365)	x	.2250% =	116,961	1
2004	51,982,806	x	(0	/	365)	x	.2000% =	0	2
2005	51,982,806	x	(0	/	365)	x	.1750% =	0	3

Total Gross Part I.3 tax (add lines 1, 2, and 3)	116,961	116,961 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F 116,961 x (Number of days in the year: 365 / 365) = 0 G

Gross Part I.3 tax (amount F or G, whichever applies)	820	116,961

Part 6 - Calculation of current-year surtax credit available

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, the lesser of a and b, below:

a)	line 600 from the T2 return			0		
b)	line 700 from the T2 return			0	0	H

In any other case, the lesser of c and d below:

				line 690 of this schedule				
c)	line 600 from the T2 return	57,865	x	61,688,803 / 61,688,803	=	57,865		
				line 500 of this schedule				
d)	line 700 from the T2 return					1,246,157	57,865	I

Current-year surtax credit available (amount H or I, whichever applies) 830 57,865

Part 7 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)			57,865
Taxable capital employed in Canada (line 690 or 790, whichever applies)	61,688,803		
Deduct: Capital deduction claimed for the year	9,705,997		
Excess of taxable capital employed in Canada over capital deduction	51,982,806	a	
Less: Gross Part I.3 tax Line a 51,982,806 x .2250% =	116,961		116,961 b

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

			Number of days in the year			
Amount b	116,961	x	365 / 365	=	0	c

Current-year unused surtax credit (if negative, enter "0") 850 0

Enter this amount at line 600 on Schedule 37

* For the purposes of the calculation of current-year unused surtax credit, the calculation is performed on a capital deduction based on $10 millions and a specified percentage of 0.225%.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Part 8 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)			116,961 J
Deduct:			
Current-year surtax credit applied (the lesser of lines 820 and 830)	861	57,865	
Unused surtax credit from previous years applied	862	0	
Subtotal (cannot exceed amount on line 820)		57,865	57,865 K
Net Part I.3 tax payable (amount J minus amount K)	870		59,096
Enter this amount at line 704 of the T2 return			

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Loans

Due to City of Oshawa		23,064,000.00
Customer deposits		4,402,000.00
Other (Development Fund)		441,791.00
Deferred revenue		13,000.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	27,920,791.00

INSTALMENT BASE CALCULATION

	1st Instalment Base Method	Estimated Tax Method
Taxable Income	5,166,486	0
CALCULATION OF TAX PAYABLE		
Total of:		
Federal Part I Tax	1,963,265	0
Federal Surtax	57,865	0
Refundable Tax on a CCPC's Investment Income	0	0
Subtotal (A)	2,021,130	0
Less Total of:		
Small Business Deduction	0	0
Investment Corporation Deduction	0	0
Federal Tax Abatement	516,649	0
Manufacturing and Processing Profits Deduction	0	0
Non-Business Foreign Tax Credit	0	0
Business Foreign Tax Credit	0	0
Tax Reduction, General and Accelerated	258,324	0
Logging Tax Credit	0	0
Federal Political Contribution Tax Credit	0	0
Investment tax credit per Schedule 31 and resource deduction	0	0
Qualifying Environmental Trust Tax Credit	0	0
Subtotal (B)	774,973	0
Total Part I Tax Payable (A) - (B) = (C)	1,246,157	0
Add: Part I.3 Tax (D)	59,096	0
Part VI Tax (D.1)	0	0
Part VI.I Tax (D.2)	0	0
Provincial/Territorial Tax (E)	0	0
Total Parts I, I.3, VI, VI.I and Provincial/Territorial Tax = (F)	1,305,253	0
Adjustment for Short Taxation Years:		
x 365/# of days in year if < 365	365 / 365	365 / 0
(G)	1,305,253	0
Less - Estimated Current Year Credits:		
Investment Tax Credit Refund	0	0
Dividend Refund	0	0
Federal Capital Gains Refund	0	0
Provincial and Territorial Capital Gains Refund	0	0
NRO Allowable Refund per Sch. 26	0	0
Tax Withheld at Source	0	0
Other Estimated Credits	0	0
Total Estimated Current Year Credits (H)	0	0
INSTALMENT BASE AMOUNT (G) - (H) = (I)	1,305,253	0

ONTARIO TAX INSTALMENTS

For The Taxation Year Ended: 2004-12-31

The following is a list of Ontario instalments payable for the current taxation year. The last column indicates the instalments payable to the Ontario Ministry of Revenue. The instalments are due no later than on the dates indicated otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Minister of Finance. Payment may be made either to a chartered bank in Ontario or filed with an instalment form and addressed to:

Ministry of Revenue (Ontario)
Corporation Tax Branch
P.O. Box 620
33 King Street West
Oshawa, Ontario
L1H 8E9

Quarterly Instalment

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2004-03-31	0	0	0	0
2004-06-30	0	0	0	0
2004-09-30	0	0	0	0
2004-12-31	0	0	0	0
	0	0		0

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2004-01-31	72,534	0	0	72,534
2004-02-29	72,534	0	0	72,534
2004-03-31	72,534	0	0	72,534
2004-04-30	72,534	0	0	72,534
2004-05-31	72,534	0	0	72,534
2004-06-30	72,534	0	0	72,534
2004-07-31	72,534	0	0	72,534
2004-08-31	72,534	0	0	72,534
2004-09-30	72,534	0	0	72,534
2004-10-31	72,534	0	0	72,534
2004-11-30	72,534	0	0	72,534
2004-12-31	72,534	0	0	72,534
Total	870,408	0		870,408

Indicate Instalment Method Chosen [1-3]: 1

1. 1st Instalment Base Method
2. Combined 1st and 2nd Instalment Base Method
3. Estimated Tax Method

Do not used the quarterly payment even if applicable "X" to continue monthly payments . . . . . [ ]

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) 1

1. 1st INSTALMENT BASE METHOD

1st Instalment Base Amount (Amt (I) Below)	870,402	/ 12	=	72,534
			Monthly Instalments Required	72,534
			Quarterly Instalments Required	0

2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD

2nd Instalment Base Amount:

Indicate:	Income Tax, C.M.T	0			
	Capital Tax, Prem. Tax	217,007			
	Total	217,007	/ 12	= (A)	18,084
Each of the first 2 Instalment Payments				= (B)	18,084
Total tax from (I) below		870,402			
Less: Amount (A) above x 2		36,168			
		834,234	/ 10	=	83,424
Each of the remaining 10 Instalment Payments				=	83,424
			Quarterly Instalments Required		0

3. ESTIMATED TAX METHOD

Instalment Base Amount (Amt (I) Below)	0	/ 12	=	0
			Monthly Instalments Required	0
			Quarterly Instalments Required	0

INSTALMENT BASE CALCULATION

		1st Instalment Base Method	Estimated Tax Method
Ontario Taxable Income		5,166,486	0
CALCULATION OF TAX PAYABLE			
Gross Ontario Tax	(A)	645,811	0
Less Total of:			
Incentive Deduction for an S.B.C., net of surtax		0	0
Manufacturing and Processing Profits Credit		0	0
Additional deduction for credit unions		0	0
Credit for foreign taxes paid		0	0
Credit for Investment in S.B.D.C		0	0
Specified credits applied against income tax		0	0
Total Deduction and Credits	(B)	0	0
Income Tax (A) - (B) =	(C)	645,811	0
Add: Capital Tax	(D)	224,591	0
Corporate minimum tax paid (credited)	(E)	0	0
Premium Tax	(F)	0	0
Total Income Tax and Other Taxes (C+D+E+F) =	(G)	870,402	0
Adjustment for Short Taxation Years			
x 365 / number of days in year if < 365		365 / 365	365 / 365
	(H)	870,402	0
Less: Total estimated current year credits		0	0
	(I)	870,402	0

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Financial Statements

Oshawa PUC Networks Inc.

December 31, 2003

AUDITORS' REPORT

To the Shareholder of
Oshawa PUC Networks Inc.

We have audited the balance sheet of **Oshawa PUC Networks Inc.** as at December 31, 2003 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Toronto, Canada,
March 19, 2004.

Chartered Accountants

Oshawa PUC Networks Inc.

BALANCE SHEET

[in thousands of dollars]

As at December 31

	2003 $	2002 $
ASSETS		
Current		
Cash and cash equivalents [including customer deposits of $4,380; 2002 - $4,339]	**20,555**	11,276
Accounts receivable	**5,323**	8,032
Unbilled revenue	**9,558**	12,418
Due from affiliate *[note 13]*	**336**	15
Inventory	**481**	1,277
Prepaid expenses	**41**	145
Current portion of regulatory assets *[note 4]*	**700**	—
Total current assets	**36,994**	33,163
Property, plant and equipment, net *[note 3]*	**37,805**	36,746
Regulatory assets, net *[note 4]*	**2,961**	1,971
	77,760	71,880
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current		
Accounts payable - IMO	**7,234**	7,916
Accounts payable and accrued liabilities	**3,211**	2,512
Payment in lieu of corporate income taxes	**1,828**	27
Deferred revenue	**3,450**	1,946
Current portion of long-term liabilities *[note 5]*	**1,386**	1,249
Total current liabilities	**17,109**	13,650
Note payable to the shareholder *[note 12]*	**23,064**	23,064
Customers' advance deposits	**3,602**	3,705
Post-employment benefits *[note 9]*	**7,216**	6,796
Employee sick leave benefits *[note 6]*	**238**	264
Development charge funds *[note 8]*	**—**	438
Provision for environmental costs *[note 10]*	**100**	100
Total long-term liabilities	**34,220**	34,367
Total liabilities	**51,329**	48,017
Shareholder's equity		
Capital stock *[note 11]*	**23,064**	23,064
Retained earnings	**3,367**	799
Total shareholder's equity	**26,431**	23,863
	77,760	71,880

Contingencies and commitments *[notes 14 and 15]*

See accompanying notes

On behalf of the Board:

Director Director

Oshawa PUC Networks Inc.

STATEMENT OF INCOME AND RETAINED EARNINGS

[in thousands of dollars]

Year ended December 31

	2003 $	2002 $
REVENUE		
Sale of electrical energy *[note 13]*	**93,250**	104,185
Cost of electrical energy	**77,012**	87,321
Net revenue from sale of electrical energy	**16,238**	16,864
Other revenue	**1,542**	1,471
Net revenue	**17,780**	18,335
EXPENSES		
Operations, maintenance and administrative	**9,652**	9,606
Income before provision for non-collectable regulatory assets, depreciation, interest and payments in lieu of corporate income taxes and LCT	**8,128**	8,729
Provision (recovery) of non-collectible regulatory assets	**(1,500)**	1,500
Depreciation	**2,922**	3,079
Interest *[note 12]*	**1,672**	1,114
Income before payments in lieu of corporate income taxes and LCT	**5,034**	3,036
Provision for payments in lieu of corporate income taxes and LCT *[note 7]*	**1,941**	110
Net income for the year	**3,093**	2,926
Retained earnings (deficit), beginning of year	**799**	(2,127)
Dividend paid	**(525)**	—
Retained earnings, end of year	**3,367**	799

See accompanying notes

Oshawa PUC Networks Inc.

STATEMENT OF CASH FLOWS

[in thousands of dollars]

Year ended December 31

	2003 $	2002 $
OPERATING ACTIVITIES		
Net income for the year	**3,093**	2,926
Add (deduct) items not involving cash		
Depreciation	**2,922**	3,079
Loss on disposal of property, plant and equipment	**—**	18
Increase in regulatory assets	**(1,690)**	(2,212)
Employee sick leave benefits	**(80)**	(88)
Deferred revenue	**(14)**	(13)
Post-employment benefits	**420**	308
	4,651	4,018
Changes in non-cash working capital balances related to operations		
Decrease in accounts receivable	**2,709**	284
Increase in due from affiliate	**(321)**	(15)
Decrease (increase) in unbilled revenue	**2,860**	(6,400)
Decrease in inventory	**796**	150
Decrease (increase) in prepaid expenses	**104**	(93)
Increase (decrease) in accounts payable and accrued liabilities	**699**	(878)
Increase in payment in lieu of corporate income taxes	**1,801**	27
Decrease in accounts payable - IMO	**(682)**	(742)
Increase in provision for environmental costs	**—**	100
Increase in deferred revenue	**1,504**	1,321
Cash provided by (used in) operating activities	**14,121**	(2,228)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment, net	**(5,880)**	(3,811)
Contribution in aid of construction	**1,899**	2,254
Proceeds on disposal of property, plant and equipment	**—**	30
Decrease in development charge funds, net	**(347)**	(119)
Cash used in investing activities	**(4,328)**	(1,646)
FINANCING ACTIVITIES		
Dividend paid	**(525)**	—
Increase in customers' advance deposits	**11**	1,034
Cash provided by (used in) financing activities	**(514)**	1,034
Net increase (decrease) in cash and cash equivalents during the year	**9,279**	(2,840)
Cash and cash equivalents, beginning of year	**11,276**	14,116
Cash and cash equivalents, end of year	**20,555**	11,276
Supplemental cash flow information		
Interest paid	**1,672**	1,114
Payments in lieu of corporate income taxes and LCT	**350**	300

See accompanying notes

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

1. INCORPORATION

Oshawa PUC Networks Inc. [the "Corporation"] was incorporated under the *Ontario Business Corporations Act* (Ontario) on October 18, 2000. The incorporation was required in accordance with the provincial government's *Electricity Act, 1998*. The Corporation operates in one business segment, providing electricity distribution services to businesses and residences in the service area of Oshawa, Ontario.

The Corporation is a wholly-owned subsidiary of Oshawa Power and Utilities Corporation, which is wholly-owned by the Corporation of the City of Oshawa.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Corporation's financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ["GAAP"], including accounting principles prescribed by the Ontario Energy Board [the "OEB"] in the handbook "Accounting Procedures Handbook for Electric Distribution Utilities" ["AP Handbook"], and reflect the significant accounting policies summarized below.

Rate setting and regulation

The *Energy Competition Act, 1998* [the "Act"] was given Royal Assent on October 30, 1998. The Act provides for a competitive market in the sale of electricity and the regulation of the monopoly electricity delivery system in the Province of Ontario [the "Province"] by the OEB. Electricity retailers began competing for customers as of March 1, 2000. On May 1, 2002, with the electricity market opening, or "Open Access", electricity retailers began to sell electricity.

The OEB has regulatory oversight of electricity matters in the Province. The Corporation is regulated by the OEB under authority of the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* sets out the OEB's powers to issue a distribution licence which must be obtained by any person owning or operating a distribution system under the *Ontario Energy Board Act, 1998*. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

In December 2002, the Province enacted the *Electricity Pricing, Conservation and Supply Act, 2002* ["Bill 210"] which amended the *Electricity Act, 1998* and other statutes for the purpose of implementing the Electricity Action Plan announced by the Premier of Ontario on November 11, 2002. Under Bill 210, energy prices for low volume and designated consumers [as defined in Bill 210] are fixed at 4.3 cents per kWh, retroactive to May 1, 2002. In recognition of commodity prices in excess of 4.3 cents per kWh for the period from May 1, 2002 to December 1, 2002, Bill 210 required distributors to issue a $75 refund to eligible consumers and to credit any remaining refund on future bills. The refund cheques were issued by the Corporation prior to December 31, 2002 as required by the legislation. This fixed price was continued through 2003.

Effective December 1, 2002, the price paid by distributors to the Independent Market Operator ["IMO"] for wholesale market charges other than energy is largely fixed at the same price as the distributors are permitted to charge their customers. For the period from May 1, 2002 to December 1, 2002, differences between the rates and the actual charges were accumulated in retail settlement variance accounts under the provision of Article 490 in the AP Handbook.

In November 2003, the Province announced its intention to increase [effective April 1, 2004] the price of electricity payable by low volume and designated customers from 4.3 cents to 4.7 cents per kWh on the first 750 kWhs consumed during a month and 5.5 cents per kWh thereafter, and direct the OEB to develop new pricing mechanisms [to take effect no later than May 1, 2005] for setting the price of electricity payable by low volume and designated customers.

The Province also announced its intention in November 2003 to permit electricity distributors to make rate applications to the OEB earlier than had been contemplated under Bill 210 with respect to the:

[a] recovery of "regulatory assets" [based on year-end balances at December 31, 2002], to be phased in over a four-year period effective March 1, 2004; and

[b] third adjustment necessary to achieve a market-based rate of return [subject to a one-time investment in conservation and demand management initiatives equal to one year of additional revenue resulting from such rate increase] effective March 1, 2005.

In December 2003, the OEB issued filing guidelines with respect to the recovery of regulatory assets. The OEB's filing guidelines provided that:

[a] distributors will be permitted to recover 25% of regulatory assets in rate adjustments to become effective March 1, 2004;

[b] the 2004 rate adjustment will be implemented on April 1, 2004 [with a gross-up added to the recovered amount to allow recovery over eleven months];

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

[c] the OEB will provide additional instructions with respect to the filing of evidence to facilitate the OEB's review of the balance of the regulatory assets; and

[d] permitted recoveries will be phased in over a three-year period [2005, 2006 and 2007].

On January 23, 2004, the Corporation filed a rate application requesting OEB authorization with respect to an increase in distribution rates to allow for the recovery of additional amount of $700,000 [representing approximately 25% of the Corporation's regulatory assets as at December 31, 2002]. This will result in the recovery of an additional $700,000, associated with regulatory assets, in the distribution rates in 2004.

The continuing restructuring of the Province's electricity industry and other regulatory developments, including current and future possible consultations between the OEB and interested stakeholders, may affect the distribution rates, including payments in lieu of taxes ["PILs"] collected from customers, that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

In order to achieve a proper matching of revenue and expenses, the timing of recognition of certain revenue and expenses for the distribution of electricity may differ from that otherwise expected under Canadian GAAP. The following regulatory treatments have resulted in accounting treatments which differ from Canadian GAAP for enterprises operating in a non-regulated environment:

[a] Regulatory assets

Regulatory assets primarily represent costs that have been deferred because it is probable that they will be recovered in future rates. Under Bill 210, certain costs and variance account balances are deemed to be "regulatory assets" and will be reflected in the Corporation's balance sheet.

Current distribution rates do not provide for recovery of any of the regulatory assets recorded as at December 31, 2003. Bill 210 provides for the continuation of deferral accounts for these regulatory assets.

Bill 4, introduced in December 2003, allows for the recovery of the regulatory assets beginning in 2004, with the caveat that an OEB audit will be conducted regarding these costs.

The continuing restructuring of the Province's electricity industry and other regulatory developments may affect the distribution rates charged by the Corporation and the costs the Corporation is permitted to recover.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

The Corporation believes that full recovery of the regulatory assets through rate adjustments is not a certainty. The Corporation intends to seek recovery of the retail settlement variance accounts, the pre-market opening energy variance and the qualifying transition costs, together with interest, through future rate applications.

The principal regulatory assets of the Corporation are comprised of qualifying transition costs, pre-market opening energy variance and settlement variances, and accrued interest on these values as follows:

[i] Qualifying transition costs: Costs incurred in respect of the transition to a competitive market have been deferred in accordance with the criteria set out in the OEB's Electricity Distribution Rate Handbook and the AP Handbook. Under such regulation, certain costs are allowed to be deferred that would be expensed when incurred under Canadian GAAP for unregulated businesses. To the extent that transition costs have been incurred which do not qualify for deferral, these costs have been expensed during the year they were incurred. Transition costs which are capital in nature, such as computer software, are accounted for as part of regulatory assets.

[ii] Pre-market opening energy variance: At December 31, 2002, the Corporation recognized the pre-market opening energy variance for the period from January 1, 2001 to April 30, 2002, the date of market opening, in accordance with the AP Handbook. The pre-market opening energy variance represents the difference between the utility's cost of power purchased based upon time-of-use ["TOU"] rates and the amounts billed for the cost of power to non-TOU customers at an average rate for the same period.

[iii] Settlement variances: The Corporation has recognized settlement variances for the period from May 1, 2002 to December 31, 2003 in accordance with criteria set out in the AP Handbook. The settlement variances relate primarily to service charges, non-competitive electricity charges and imported power charges.

[iv] Capitalized interest: The Corporation has capitalized interest on the regulatory assets and also the deferred PILs in the rate base. In 2003, the calculations were done for the regulatory assets for 2002 and 2003 as prescribed by the OEB.

[b] Payments in lieu of corporate income taxes and Large Corporations Tax ["LCT"]

The Corporation provides for payments in lieu of corporate income taxes using the taxes payable method for its regulated activities as permitted by The Canadian Institute of Chartered Accountants ["CICA"] and the OEB.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

Inventory

Inventory, which consists of parts and supplies acquired for internal maintenance or construction, is valued at the lower of cost and replacement cost, with cost being determined on a weighted average basis net of the provision for obsolescence. In 2003, the Corporation adhered to Section 3.10 of the AP Handbook, which allowed the transfer of meters and transformers from inventory to property, plant and equipment [of $907,000].

Property, plant and equipment

Property, plant and equipment purchased or constructed by the Corporation are stated at cost and include contracted services, material, labour, engineering costs and overheads.

Property, plant and equipment also include the cost of certain capital assets partially funded by developers as a contribution in aid of construction to the Corporation. The OEB requires that such contributions, whether in cash or in-kind, be offset against the related asset cost.

When identifiable capital assets are retired or otherwise disposed of, their original cost and accumulated depreciation are removed from the accounts and the related gain or loss is included in the determination of income or loss for the year. Repairs and maintenance expenditures are charged to operations as incurred.

Depreciation is provided on a straight-line basis over the estimated service lives as follows:

Buildings	1.67% - 2%
Transmission, distribution system and meters	2.86% - 4%
Equipment and furniture	10%
Computer hardware	20%
Vehicle fleet	12.5% - 20%

Construction in progress comprises capital assets under construction, capital assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed. These assets are not depreciated until placed into service.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

Customers' advance deposits

Customers' advance deposits represent cash collections from customers that are available to offset the payment of energy bills or other services. Customers may be required to post security to obtain electricity or other services. Where the security posted is in the form of securities, these amounts are recorded in the accounts as securities held in respect of customer deposits. Interest is paid on customer balances at rates established by the Corporation on a monthly basis. Deposits expected to be refunded to customers within the next fiscal year are classified as a current liability.

Pension and other post-employment benefits

The Corporation accounts for its participation in the Ontario Municipal Employees Retirement Fund ["OMERS"], a multi-employer public sector pension fund, as a defined benefit plan. Both participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Corporation recognizes the expense related to this plan as contributions are due.

Employee future benefits other than pensions provided by the Corporation include supplemental health insurance, dental and life insurance. These plans provide benefits to retired employees and spouses when they are no longer providing active service.

Employee future benefits expense is recognized in the period in which the employees render services.

Employee future benefits other than pensions are recorded on an accrual basis. The Corporation actuarially determines the cost of post-employment benefits offered to employees and retirees using the projected benefit method, pro rated on service and based on management's best estimate assumptions. Under this method, the projected post-retirement benefits are deemed to be earned on a pro rata basis over the employees' years of service in the attribution period commencing at date of hire, and ending at the earliest age the employee could retire and qualify for benefits.

The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. The excess of the net actuarial gains (losses) over 10% of the accrued benefit obligation is amortized as an expense on a straight-line basis over the average remaining service period of active employees to full eligibility. The effect of a curtailment gain or loss is recognized in the year of the event giving rise to the curtailment as a charge or credit to

operations. The effect of a settlement gain or loss is recognized in the period in which a settlement occurs.

Cash and cash equivalents

Cash and cash equivalents are highly liquid investments with terms to maturity of three months or less from their date of acquisition.

Revenue recognition

Revenue from the sale of electrical energy represents actual revenue attributable to the sale and delivery of electricity, and is recognized as electricity is delivered to customers. Revenue includes an estimate of unbilled revenue, which represents electricity delivered and consumed by customers since the date of each customer's last meter reading but not yet billed. Actual results could differ from estimates of electricity usage.

Distribution service and other revenue are recognized as service is rendered or when interest is earned.

Provision for environmental costs

The Corporation will incur future costs associated with the disposal of contaminated waste and site restoration for certain of its properties. Although these costs cannot be reasonably determined for some of the properties at this time, a contingent liability exists. When reasonably determinable, the Corporation has provided for future costs by charges to income. Actual costs are charged to the provision for environmental costs as incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Certain estimates are necessary since the regulatory environment in which the Corporation operates requires amounts to be recorded at estimated values until finalization and adjustment pursuant to subsequent regulatory decisions, or other regulatory proceedings. Due to inherent uncertainty involved in making such estimates, actual results could differ from those estimates, including changes as a result of future decisions made by the OEB, the Minister of Energy or the Minister of Finance.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

Corporate income taxes, LCT and capital taxes

Under the *Electricity Act, 1998* the Corporation is required to make payments in lieu of corporate income taxes and capital taxes to Ontario Electricity Financial Corporation ["OEFC"], commencing October 1, 2001. These payments are calculated in accordance with the rules for computing 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 regulations. OEFC is a government of Ontario agency responsible for the collection of these payments. Other payments remitted to OEFC are applied against the stranded debt of Ontario Hydro.

The Corporation is a "municipal electric utility" ["MEU"] for purposes of the PILs regime contained in the *Electricity Act, 1998*. The PILs regime came into effect on October 1, 2001, at which time the Corporation was deemed to have commenced a new taxation year for purposes of determining its respective liabilities for PILs. Accordingly, the Corporation was deemed to have disposed of its assets at their then fair market value and to have reacquired such assets at that same amount for the purposes of computing its future income subject to PILs. For purposes of certain provisions, the Corporation was deemed to be a new company and, as a result, tax credits or tax losses not previously utilized by the Corporation would not be available to it after the change in tax status. Essentially, the Corporation was taxed as though it had a "fresh start" at the time of its change in tax status. The differences between the financial statement carrying value and tax bases of assets and liabilities were accounted for using the taxes payable method of accounting and were applied in accordance with recommendations of the CICA and the OEB.

The Corporation provides for PILs using the taxes payable method. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time.

The OEB's Electricity Distribution Rate Handbook provides for the recovery of PILs by local distribution companies through annual distribution rate adjustments as permitted by the OEB.

The OEB may initiate industry consultations in 2004 on the recovery of PILS through distribution rates. The method that has been used to set the PILS portion of the Corporation's rates for 2004 is consistent with the approach used in past periods. The Corporation cannot predict the timing and outcome of any such consultations and whether there could be any impact on the amount of PILs payments that are recoverable through distribution rates.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

Development charges

Development charges collected under the *Development Charges Act, 1997*, or predecessor legislation, are earmarked for specific property, plant and equipment related to growth that will occur in the future. Development charge funds are recorded as a long-term liability until the funds are expended, at which time they are transferred to contribution in aid of capital construction. Development charges ceased to be collected effective November 1, 2000.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	2003			2002		
	Cost	**Accumulated depreciation**	**Net book value**	**Cost**	**Accumulated depreciation**	**Net book value**
	$	$	$	$	$	$
Land	**99**	—	**99**	99	—	99
Buildings	**534**	**250**	**284**	534	204	330
Transmission and distribution						
Underground distribution	**33,767**	**14,961**	**18,806**	30,890	13,824	17,066
Overhead distribution	**28,406**	**15,924**	**12,482**	27,068	15,112	11,956
Transformers	**15,326**	**10,616**	**4,710**	14,328	10,189	4,139
Station equipment	**8,617**	**5,678**	**2,939**	8,473	5,415	3,058
Meters	**6,511**	**3,823**	**2,688**	5,825	3,583	2,242
Equipment and furniture	**2,511**	**2,191**	**320**	2,424	2,080	344
Computer hardware	**1,736**	**1,533**	**203**	1,544	1,459	85
Vehicle fleet	**3,245**	**2,779**	**466**	3,235	2,664	571
Construction in progress	**1,731**	—	**1,731**	2,183	—	2,183
Property, plant and equipment before contribution in aid of construction	**102,483**	**57,755**	**44,728**	96,603	54,530	42,073
Contribution in aid of construction from developers and others	**(7,592)**	**(669)**	**(6,923)**	(5,692)	(365)	(5,327)
	94,891	**57,086**	**37,805**	90,911	54,165	36,746

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

4. REGULATORY ASSETS

Regulatory assets (liabilities) consist of the following:

	2003 $	2002 $
Qualifying transition costs	**305**	305
Pre-market opening energy variance [relating to the difference between the Corporation's cost of power based upon TOU rates and the amounts billed to non-TOU consumers at an average rate for the same period]	**1,086**	1,086
Retail settlement variances [relating mainly to the impact of the wholesale market charges that were beyond the regulated rates allowed to be charged to consumers]	**2,276**	2,080
Regulatory accrued interest	**394**	—
	4,061	3,471
Provision for non-recovery	**(400)**	(1,500)
Current portion of regulatory assets	**(700)**	—
Net non-current regulatory assets (liabilities) recognized	**2,961**	1,971

It is management's opinion that the full recovery of these regulatory assets through rate adjustments is not a certainty.

In 2003, the Corporation has included the capitalized interest component for these accounts as allowed by the AP Handbook.

Deferred PILs	2003 $	2002 $
Deferred PILs [regulatory assets]	**34**	—
Deferred PILs [regulatory liabilities]	**(34)**	—
Net regulatory assets (liabilities) recognized	—	—

The OEB approved distribution rates for PILs recovery based on estimated consumption volumes. The difference between actual billings that relate to the recovery of PILs and the Board approved PILs amount is tracked by the Corporation as a deferred tax amount in accordance with OEB guidelines for regulatory assets and with the criteria set out in the AP Handbook.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

5. CURRENT PORTION OF LONG-TERM LIABILITIES

The current portion of long-term liabilities consists of the following:

	2003 $	2002 $
Deferred revenue	**13**	13
Customers' advance deposits	**800**	700
Development charge funds	**442**	351
Employee sick leave benefits	**131**	185
	1,386	1,249

6. EMPLOYEE SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees on the regular staff prior to August 1, 1979 may become entitled to cash payments after termination of service. An employee may receive payment for 50% of his unused sick leave credits up to a maximum of six months' pay. During the year, $79 was paid [2002 - $98]. The liability recorded in the accounts for these accumulated benefits, to the extent that they have vested, amounted to $369 [2002 - $449]. The current portion of long-term liabilities for employee sick leave benefits is $131, and long-term liability for sick leave benefits totals $238.

Anticipated payments over the next four years to employees who are eligible to retire are as follows:

	$
2004	131
2005	70
2006	70
2007	98

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

7. CORPORATE INCOME TAXES

The provision for PILs differs from the amount that would have been recorded using the combined Canadian federal and provincial statutory income tax rate. The reconciliation between the statutory and effective tax rates is provided as follows:

Statement of income

	2003 $	2002 $
Rate reconciliation		
Income from continuing operations before PILs	**5,034**	3,036
Statutory Canadian federal and provincial income tax rate	**36.62%**	38.62%
Expected tax provision on income at statutory tax rate	**1,844**	1,172
Increase (decrease) in income taxes resulting from		
Large Corporations Tax ["LCT"] net of surtax	**57**	112
Utilization of tax losses previously not benefited	**(158)**	(1,378)
Effect of rate changes on timing differences	**3**	45
Other timing differences not benefited:		
Depreciation/CCA differences	**72**	65
Post-employment benefits	**152**	93
Other	**(29)**	1
Provision for PILs	**1,941**	110
Effective tax rate	**38.56%**	3.62%
Components of income tax expense		
LCT	**57**	110
Current income taxes	**1,884**	—
Provision for PILs	**1,941**	110

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

Balance sheet

Future income taxes relating to the regulated businesses have not been recorded in the accounts as they are expected to be recovered through future electricity rate revenue. As at December 31, 2003, future income tax assets of $9,306 [2002 - $7,730] [consisting mostly of non-deductible reserves and the difference between the tax and book bases of capital assets], based on substantively enacted income tax rates, have not been recorded.

8. DEVELOPMENT CHARGE FUNDS

Development charge funds represent amounts received for specific capital work that will occur in the future.

	2003 $	2002 $
Balance, beginning of year	**789**	908
Applied to capital projects	**(347)**	(119)
	442	789
Less current portion	**442**	351
Balance, end of year	—	438

9. EMPLOYEE BENEFITS

[a] Pension costs

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

The Corporation incurred current service pension costs for the year ended December 31, 2003 of $103 [2002 - nil]. OMERS declared a contribution holiday commencing August 1, 1998 through December 31, 2002. Contributions recommenced in January 2003 at a percentage of the full contribution rates. In January 2004 the contributions were returned back to the full contribution rates.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

[b] Other retirement and post-retirement benefits

The Corporation provides post-employment benefits, such as life insurance and supplemental health and dental coverage, for employees who retire from active employment.

	2003 $	2002 $
Change in accrued benefit obligations		
Balance, beginning of year	**6,796**	6,488
Net periodic benefit cost incurred by the plan	**591**	597
Benefits paid by the Corporation	**(171)**	(289)
Accrued benefit obligations, end of year	**7,216**	6,796
Components of net periodic benefit cost		
Service cost of current employees	**139**	191
Interest cost	**431**	392
Amortization of actuarial losses	**21**	14
Net periodic benefit cost	**591**	597

The significant actuarial assumptions adopted in measuring the Corporation's accrued benefit obligations as at December 31 are as follows:

	2003 %	2002 %
Discount rate applied to the calculation of future benefits	**6.0**	6.0
Rate of compensation increase used in determination of future costs	**3.0**	2.0

Health care costs were assessed at the same rate for 2003 as 2004. An estimated increase to premiums was included in the actuarial report in the following years. An actuarial study was done by the Corporation, but was not required by regulation. This was done on a prudence basis by management.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

10. PROVISION FOR ENVIRONMENTAL COSTS

The Corporation has provided a nominal amount for potential environmental reclamation costs. As at December 31, 2003, a balance remains on the balance sheet of $100 [2002 - $100].

The Corporation is in the process of completing a detailed review of its total environmental obligations and will reassess this provision once this is completed.

11. SHAREHOLDER'S EQUITY

Authorized and issued capital stock as at December 31 consists of the following:

	2003	2002
	$	$
Authorized		
Unlimited common shares		
Issued		
1,000 common shares	**23,064**	23,064

In 2003, a dividend of $525 [2002 - nil] was paid to the shareholder by the Corporation.

At its meeting of February 3, 2003, the City of Oshawa adopted a resolution affirming its original decision to allow the Corporation to continue to operate under the *Electricity Act, 1998* as a "for profit" entity.

12. NOTE PAYABLE

The note payable to the Corporation of the City of Oshawa of $23,064 [2002 - $23,064] was non-interest bearing to the opening market date of May 1, 2002. The interest rate since May 1, 2002 has been at 7.25% per annum.

The note is a demand note subject to a six-month notice period. The Corporation of the City of Oshawa waived its right to demand repayment prior to January 1, 2005 and, accordingly, the note has been classified as a long-term liability.

In 2003, the Corporation made interest payments to the City of Oshawa of $1,672 [2002 - $1,114].

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

13. RELATED PARTY TRANSACTIONS

The Corporation transacts business with the City of Oshawa and its affiliates. These transactions are summarized below:

	2003 $	2002 $
REVENUE - Electricity		
Facilities	**1,235**	1,658
Streetlights	**787**	704
	2,022	2,362
Other services sold	**542**	628
EXPENSES		
Rent - 100 Simcoe Street	**264**	264

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

The Corporation receives management support from its parent, Oshawa Power and Utilities Corporation. During the year, the Corporation was invoiced $300 [2002 - $90] from its parent.

As at December 31, 2003, the parent owed the Corporation $65 [2002 - $15], which is included in due from affiliate. The amounts owed to the Corporation from affiliated companies include $269 from Oshawa PUC Services Inc. [2002 - nil] and $2 from Oshawa PUC Energy Services Inc. [2002 - nil].

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

14. LEASE COMMITMENTS

The Corporation leases its premises under a net operating lease, which expires November 1, 2005, from the Corporation of the City of Oshawa. Future minimum net annual rental payments to the end of the lease term are as follows:

	$
2004	264
2005	242
2006	—
2007	—
2008	—
	506

15. CONTINGENCIES

Insurance claims

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ["MEARIE"], which was created on January 1, 1987. A reciprocal insurance exchange is a group formed for the purpose of exchanging reciprocal contracts of indemnity of inter-insurance with each other. MEARIE provides general liability insurance to its member utilities.

Insurance premiums charged to each municipal electric utility consist of a levy per thousand dollars of service revenue subject to a credit or surcharge based on each electric utility's claims experience. Claims are insured to a limit of $20 million per occurrence.

The Corporation has a number of claims outstanding, which it has referred to MEARIE under the provisions of this plan. No provision has been recorded in these financial statements in respect of these matters as the Corporation expects that these claims will be adequately covered by its insurance.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2003

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, accounts receivable, unbilled revenue, accounts payable and accrued liabilities approximate their fair values because of the short period to maturity of these instruments.

Financial assets held by the Corporation expose it to credit risk. The Corporation provides for an allowance for doubtful accounts to absorb credit losses. As at December 31, 2003, there is no significant concentration of credit risk with respect to any financial assets.

Cash and cash equivalents include temporary investments amounting to $14,950 [2002 - $5,005] invested in short-term guaranteed certificates with one of the major Canadian chartered banks.

17. PRUDENTIAL REQUIREMENTS

The Corporation has posted a letter of credit with the IMO in the amount of $6,000 [2002 - $10,800].

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2003-12-31 PILs Attached Sch.

Securities Held for Deposit	0.00
Due from related parties	12,725.00
	336,285.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	349,010.00

Non-deductible reserves

Employee future benefits	7,215,569.00
Employee sick leave benefits	369,776.00
Environmental provision	100,000.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	7,685,345.00

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX (1998 and later taxation years)

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 or $50,000,000 among the members of the related group.
  Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.

Are any members of the related group liable to pay Part I.3 tax? ..... [Y/N] [Y]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.
- Attach additional schedules if space for agreement is not sufficient.

Agreement

Date filed (for departmental use only)	010	Year Month Day
Is this an amended agreement?	020	[Y/N] [N]
Enter the calendar year to which the agreement applies	030	Year 2003

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member which is exempt from Part I.3 tax under subsection 181.1(3) is not required to be included.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year $	Taxation year end to which this agreement applies (Note 2)
200	300	400	500
Oshawa PUC Networks Inc.	891725210RC0001	9,705,997	
See attached		294,003	
Total (Before 2004 must not exceed $10,000,000 After 2003 must not exceed $50,000,000)		10,000,000	

Note 1: If a corporation is not registered enter, "NR".

Note 2: An entry is only required for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2005 12 31
AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 or $50,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal Income Tax Act, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group [200]	Business Number (Note 1) [300]	Allocation of capital deduction for the year [400]	Taxation year end to which this agreement applies (Note 2) [500]
OSHAWA POWER AND UTILITIES COR	864867593RC0001	39,864	
OSHAWA PUC ENERGY SERVICES INC	857491336RC0001	0	
OSHAWA PUC SERVICES INC.	865799662RC0001	254,139	
TOTAL		294,003	

Note 1: If a corporation is not registered, enter "NR".

Note 2: An entry is only required for a corporation that has more than one taxation ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

Schedule 36 - Supplementary Corporate Taxprep / Taxprep des sociétés - TP-08

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION
(1998 and later taxation years)

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
	100	200	300	400	500
Oshawa Power and Utilities Corporation	864867593RC0001		100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Oshawa PUC Networks Inc.
Account/Business No.: 891725210RC0001 Year Ended: 2003-12-31 T7B-1

Schedule of Instalment Remittances

Name of Corporation Contact: . . . . . Michael Chase
Telephone Number: 905-723-4626

Effective Interest Date	Description (Instalment Remittance, Split Payment, Assessed Credit)	Amount of Credit
	Tax payment to Ministry of Finance	1,745,868
	less: amount reported on ONT CT23	-440,615
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
	Total amount of instalments claimed (A)	1,305,253
	Total instalments credited to the taxation year per T9 (B)	1,305,253

TRANSFER

Account Number	Taxation Year End	Amount	Effective Interest Date	Description
From:				
To:		0		

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17, together with the applicable schedules on pages 18-21. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt, Refer to Guide)* [X] Yes [ ] No

Ministry Use

Corporation's Legal Name *(including punctuation)*

Oshawa PUC Networks Inc. PILs

Ontario Corporations Tax Account No. (MOF): 1800157

This CT23 Return covers the Taxation Year
Start: year month day 2003-01-01
End: year month day 2003-12-31

Mailing Address
100 Simcoe Street South
Oshawa
ON CA L1H-7M7

Has the mailing address changed since last filed CT23 Return? [ ] Yes | Date of Change: year month day

Date of Incorporation or Amalgamation: year month day 2000-11-01

Registered/Head Office Address
100 Simcoe Street South
Oshawa
ON CA L1H-7M7

Ontario Corporation No. (MCBS):

Location of Books and Records
100 Simcoe Street South
Oshawa
ON CA L1H-7M7

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter: 891725210RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
Michael Chase	905-723-4626	905-723-3248

Jurisdiction Incorporated: Ontario

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)
ON CA -

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced: year month day
Ceased: year month day
[X] *Not Applicable*

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 0

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please [X] this box. Schedule(s) A and K are not required (MCBS).

[X] **No change**

Preferred Language/*Langue de préférence*
[X] English *anglais* [ ] French *français*

Ministry use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

Michael Chase

Title: [ ] D Director [X] O Officer [ ] P Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1 [X] 1 Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent): 100%

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter

Specify major business activity
Electricity Distribution

2 [ ] 1 Family Farm Corporation s.1 (2)
2 [ ] Family Fishing Corporation s.1 (2)
3 [ ] Mortgage Investment Corporation s.47
4 [ ] Credit Union s.51
5 [ ] Bank Mortgage Subsidiary s.61 (4)
6 [ ] Bank s.1 (2)
7 [ ] Loan and Trust Corporation s.61 (4)
8 [ ] Non-resident Corporation s.2(2)(a) or (b)
9 [ ] Non-resident Corporation s.2(2)(c)
10 [ ] Mutual Fund Corporation s.48
11 [ ] Non-resident owned investment Corporation s.49
12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
14 [ ] Bare Trustee Corporation
15 [ ] Branch of Non-resident s.63(1)
16 [ ] Financial institution prescribed by Regulation only
17 [ ] Investment Dealer
18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either
20 [ ] Producer and seller of steam for uses other than for the generation of electricity
21 [ ] Insurance Exchange s.74.4
22 [ ] Farm Feeder Finance Co-operative Corporation
23 [ ] Professional Corporation (incorporated professionals only)

Please "X" box(es) if applicable:

[ ] First Year of Filing
[ ] Amended Return
[ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required
[ ] Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)
[ ] Final Taxation Year before Amalgamation
[ ] Floating Fiscal Year End
[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
[ ] Acquisition of Control fed s.249(4)

Date Control was acquired
year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[X]	[ ]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[ ]	[X]
a Specified Refundable Tax Credit?	[ ]	[X]
Are you a Member of a Partnership or Joint Venture?	[ ]	[X]

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	5,601,489.
Subtract: Charitable donations	–		1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–		2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3	–		3	0.
Subtract: Ontario political contributions *(Attach schedule 2A)* (Int.B. 3002)	–		4	0.
Subtract: Federal Part VI.1 tax 0. X 9/4	–		5	0.
Subtract: Prior years' losses applied – Non-capital losses	–	From	704	435,003.
Net capital losses From 715 (page 16) 0. X inclusion rate 50.000000% =	–		714	0.
Farm losses	–	From	724	0.
Restricted farm losses	–	From	734	0.
Limited partnership losses	–	From	754	0.
Taxable Income (Non-capital loss)	=		10	5,166,486.
Addition to taxable income for unused foreign tax deduction for federal purposes	+		11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=		20	5,166,486.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	5,166,486.	x	30	100.0000% (Ontario Allocation)	x	12.5000%	x	Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 365 ÷ Total Days 73 365	= +	29	645,811.
From 10 (or 20 if applicable)	5,166,486.	x	30	100.0000% (Ontario Allocation)	x	14.0000%	x	Days after Dec. 31, 2003 and before Jan. 1, 2005: 34 0 ÷ Total Days 73 365	= +	32	0.

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 645,811.

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [X] Yes [ ] No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))			50	5,601,489.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+	51 5,166,486.		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+	52 435,003.		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	–	53 435,003.		
	=	5,166,486.	54	5,166,486.
Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding $ 200,000)	+	55 200,000.		

Add: Ontario enhancement of federal business limit

Number of Days in Taxation Year

80,000 x	Days after Sept. 30, 2001 and before Jan. 1, 2003: 28 0 ÷ Total Days 73 365					=+	43	0.
X From	55 200,000 ÷ 200,000							
120,000 x	Days after Dec. 31, 2002 and before Jan 1, 2004: 31 365 ÷ Total Days 73 365					=+	46	120,000.
X From	55 200,000 ÷ 200,000							
200,000 x	Days after Dec 31, 2003 and before Jan 1, 2005: 31 0 ÷ Total Days 73 365					=+	47	0.
X From	55 200,000 ÷ 200,000							

Ontario enhancement of federal business limit	43 + 46 + 47	=	120,000.	+	44	120,000.	
Business Limit for Ontario purposes	55 + 44	=	320,000.		45	320,000.	
Income eligible for the IDSBC	From 30	100.0000% * Ontario Allocation	x	56	320,000. Least of 50, 54 or 45	=	60 320,000.

* **Note:** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

DOLLARS ONLY

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan 1, 2003		Total Days		
6.50%	x	28	0 ÷	73	365	= + 79	.0000
7.00%	x	31	365 ÷	73	365	= + 89	7.0000
8.50%	x	34	0 ÷	73	365	= + 90	.0000

IDSBC Rate for Taxation Year 79 + 89 + 90 = 78 **7.0000**

Claim From 60 **320,000.** x From 78 **7.0000%** = 70 **22,400.**

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in 114 below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** **Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** **Taxable Income of the corporation** From 10 (or 20 if applicable) + 80 **5,166,486.**

If you are a member of an associated group (X) 81 **X** (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)
See attached			+ 82 **0.**
			+ 83 .
			+ 84 .

Aggregate Taxable Income 80 + 82 + 83 + 84, etc. = 85 **5,166,486.**

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2003		Total Days		
Subtract: 280,000	x	28	0 ÷	73	365	= + 113	0.
			Days after Dec. 31, 2002 and before Jan 1, 2004		Total Days		
320,000	x	31	365 ÷	73	365	= + 115	320,000.
			Days after Dec 31, 2003 and before Jan 1, 2005		Total Days		
400,000	x	34	0 ÷	73	365	= + 116	0.

113 + 115 + 116 = **320,000.** − 114 **320,000.**

(If negative, enter nil) = 86 **4,846,486.**

Calculation of Specified Rate for Surtax

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan 1, 2003		Total Days		
4.3330%	x	28	0 ÷	73	365	= + 95	.0000
			Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days		
4.6670%	x	31	365 ÷	73	365	= + 96	4.6670
			Days after Dec. 31, 2003 and before Jan 1, 2005		Total Days		
4.6670%	x	34	0 ÷	73	365	= + 97	.0000

Specified rate of surtax for Taxation Year 95 + 96 + 97 = 94 **4.6670**

From 86 **4,846,486.** x From 94 **4.6670%** = 87 **226,186.**

From 87 **226,186.** x From 60 **320,000.** ÷ From 114 **320,000.** = 88 **226,186.**

Surtax Lesser of 70 or 88 = 100 **22,400**

Continued on Page 6

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	DOLLARS ONLY
Oshawa PUC Networks Inc.	1800157	2003-12-31	

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits ..... + 120 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... − From 56 320,000.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 22,400. ÷ From 30 100.0000% ÷ From 78 7.0000% = 121 320,000.
* Ontario Allocation

Lesser of 56 or 121 ..... + 122 320,000.

120 − 56 + 122 ..... = 130 0.

Taxable Income ..... + From 10 5,166,486.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... − From 56 320,000.

Add: Adjustments for Surtax on Canadian-controlled private corporations ..... + From 122 320,000.

Subtract: Taxable Income 10 5,166,486. X Allocation % to jurisdictions outside Canada .0000% ..... − 140 0.

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses ..... − 141 0.

10 − 56 + 122 − 140 − 141 ..... = 142 5,166,486.

Claim

Number of Days in Taxation Year

143 0. X From 30 100.0000% X 1.5000% X (Days after Sept 30, 2001 and before Jan 1, 2004: 33 0 ÷ Total Days 73 365) =+ 154 0.
Lesser of 130 or 142 — * Ontario Allocation

143 0. X From 30 100.0000% X 2.0000% X (Days after Dec 31, 2003 and before Jan 1, 2005: 34 0 ÷ Total Days 73 365) =+ 156 0.
Lesser of 130 or 142 — * Ontario Allocation

M&P claim for taxation year 154 + 156 ..... = 160 0.

* **Note:** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule).* ..... 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies *if you* have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 − 70 + 100 − 110 − 160 − 161 − 162 − 170 − 180 ..... = 190 645,811.

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.

Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* + 191 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.

Eligible Credit From 5798 Summary Schedule F + 192 0.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)

Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.

Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) **or** Ministry of Finance (MOF) CT Schedule 193/199, as applicable.

*(Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6)

Applies to employment of eligible unemployed post secondary graduate.

No. of Graduates From 6596 — 194 0

Eligible Credit From 6598 Summary Schedule G + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)

Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.

Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)

Applies to labour relating to computer animation and special effects on an eligible production.

Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation

(Attach the original Claim/Certification Form with the CT23 Tax Return.) + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)

Applies to qualifying R&D expenditures under an eligible research institute contract.

Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)

Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.

Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC) **or** Ministry of Finance (MOF) CT Schedule 193/199, as applicable.

*(Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)

Applies to qualifying labour expenditures of eligible products for the taxation year.

Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation

(Attach original Claim/Certification Form.) + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)

Applies to qualifying expenditures in respect of eligible Canadian sound recordings.

Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* + 201 0.

Other (specify) _____ + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** = 225 0.

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230 645,811.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8.*** If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 17.***

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets [249] exceeds $5,000,000 ***or*** Total Revenue [250] exceeds $10,000,000.

* These amounts include the corporation's and associated corporations' share of any partnership(s)/joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s)/joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation** ..... + [240] 77,760,000.

*** Total Revenue of the corporation** ..... + [241] 94,792,000.

If you are a member of an associated group (x) [242] X (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets	* Total Revenue
See attached			+ [243] 23,462,082.	+ [244] 1,025,481.
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .

Aggregate Total Assets [240] + [243] + [245] + [247] , etc. ..... = [249] 101,222,082.

Aggregate Total Revenue [241] + [244] + [246] + [248] , etc. ..... = [250] 95,817,481.

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on Pages 18, 19 and 20 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on Page 18.)*

Gross CMT Payable ..... CMT Base From [2135] 3,936,497. (If negative, enter zero) X From [30] 100.0000 (Ontario Allocation) % X 4.0000 = [276] 157,460.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)* ..... – [277] 0.

Subtract: Income Tax ..... – From [190] 645,811.

Net CMT Payable (If negative, enter Nil on Page 17.) ..... = [280] 0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 17.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 17*** and transfer [280] to ***Page 17***, and to ***Schedule D: Continuity of CMT Credit Carryovers, on Page 20.***

CMT Credit Carryover available ..... From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) ..... + From [190] 645,811.

Gross CMT Payable ..... + From [276] 157,460.

Subtract: Foreign Tax Credit for CMT purposes ..... – From [277] 0.

If [276] – [277] is negative, enter NIL in [290] ..... = 157,460. – [290] 157,460.

Income Tax eligible for CMT Credit ..... = [300] 488,351.

B. Income tax (after deduction of specified credits) ..... + From [230] 645,811.

Subtract: CMT credit used to reduce income taxes ..... – [310] 0.

Income Tax ..... = [320] 645,811.

Transfer to page 17

If A & B apply, [310] ***cannot exceed the lesser of*** [230], [300] ***and your CMT credit carryover available*** [2307].

If only B applies, [310] ***cannot exceed the lesser of*** [230] ***and your CMT credit carryover available*** [2307].

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

DOLLARS ONLY

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 ***and*** 430 ***on page 10 then proceed to page 13.***
If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 ***and*** 430 ***are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in*** 480 ***and*** 430 ***are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital tax for the taxation year. A Corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in*** 550 ***on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.***

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed. Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	+	350	23,063,666.
Retained earnings (if deficit, deduct) (Int.B. 3012)	±	351	3,368,011.
Capital and other surpluses, excluding appraisal surplus (Inf.B.3012)	+	352	0.
Loans and advances *(Attach schedule)* (Int.B. 3013)	+	353	27,920,791.
Bank loans (Int.B. 3013)	+	354	0.
Bankers acceptances (Int.B. 3013)	+	355	0.
Bonds and debentures payable (Int.B. 3013)	+	356	0.
Mortgages payable (Int.B. 3013)	+	357	0.
Lien notes payable (Int.B. 3013)	+	358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+	359	7,685,345.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+	360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	+	361	0.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	+	362	0.
Subtotal	=	370	62,037,813.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	−	371	-18,098,312.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	−	372	0.
Total Paid-up Capital	=	380	80,136,125.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	−	381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electicity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	−	382	0.
Net Paid-up Capital	=	390	80,136,125.

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	0.
Mortgages due from other corporations	+	403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	0.
Loans and advances to unrelated corporations	+	405	12,725.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	336,285.
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	0.
Total Eligible Investments	=	410	349,010.

continued on Page 10

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	+	420	77,760,000.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	−	423	0.
Total Assets as adjusted	=	430	77,760,000.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	−	441	-18,098,312.
Subtract: Appraisal surplus if booked	−	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	95,858,312.

Investment Allowance (410 ÷ 450) X 390 ..... Not to exceed 410 = 460 291,767.

Taxable Capital 390 − 460 ..... = 470 79,844,358.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 94,792,000.

Total Assets (as adjusted) ..... From 430 77,760,000.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(Financial Institutions use calculations on page 13.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.**

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11, and if applicable, complete** Section D or Section E on page 12. **Note: if the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1. If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

B2. If taxable capital, 470 on page 10, is **$5,000,000 or less**, enter NIL in 550 on page 12 and complete the return from that point.

B3. If taxable capital, 470 on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount From 523 to 543 on page 12, and complete the return from that point.

\+ From 470 0.

− 0.

= 471 0. X From 30 100.0000% X .3000% X 555 365 / ** 365 ..... = + 523 0.

Ontario Allocation

Days in taxation year (366 if leap year)

Transfer to 543 on page 12 and complete the return from that point

*** If floating taxation year, refer to Guide.*

continued on Page 11

Loans

Due to City of Oshawa		23,064,000.00
Customer deposits		4,402,000.00
Other (Development Fund)		441,791.00
Deferred revenue		13,000.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	27,920,791.00

UCC vs NBV

UCC per Ont Sch. 8		-54,072,619.00
NBV per F/S		37,804,812.00
less: land		-98,896.00
less: WIP		-1,731,609.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-18,098,312.00

Non-deductible reserves

Employee future benefits		7,215,569.00
Employee sick leave benefits		369,776.00
Environmental provision		100,000.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	7,685,345.00

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

Capital Tax Calculation *continued from page 10*

DOLLARS ONLY

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (exluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital 470 on page 10 is $5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

If taxable capital 470 on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in 542 Section D, and complete Section D and the return from that point.

C2. ☒ 524 (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do NOT complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 ..... + From 470 79,844,358.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding financial institutions and corporations exempt form capital tax) or related partners having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
See attached			
			+ 531 309,584.
			+ 532
			+ 533

Aggregate Taxable Capital 470 + 531 + 532 + 533, etc. ..... = 540 80,153,942.

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL. Enter NIL in 523 in section D on page 12, as applicable.

If 540 above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From 470 79,844,358. ÷ From 540 80,153,942. x 5,000,000 ..... = 541 4,980,688.

Transfer to 542 in Section D on page 12

S.s.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return.***
Proceed to **Section E** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 *on page 11, exceeds $5,000,000.*

Complete the following calculation and transfer the amount From 523 to 543, and complete the return from that point.

+ From 470	79,844,358.											
− 542	4,980,688.											
= 471	74,863,670.	x From 30	100.0000%	x	.3000%	x	555 365 / ** 365	.....	= + 523	224,591.	**Total Capital Tax for the taxation year**
			Ontario Allocation				Days in taxation year (366 if leap year)				*Transfer to 543 and complete the return from that point*

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From 470	0.	x From 30	100.0000%	x	.3000%	.....	= + 561	0.
			Ontario Allocation					

− Capital tax deduction From 995 relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form ..... − From 995 0.

= 562 0.

Capital Tax 562	0.	x	555 365 / ** 365	.....	= 563	0.		
			Days in taxation year (366 if leap year)				*Transfer to 543 and complete the return from that point.*	

*** If floating taxation year, refer to Guide.*

Capital Tax *before application of specified credits*	= 543	224,591.
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	− 546	0.
Capital Tax 543 − 546 *(amount cannot be negative)*	= 550	224,591.
		Transfer to Page 17

continued on Page 13

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

DOLLARS ONLY

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. x 0.6% X From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [569] 0.
Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year

[570] 0. x [571] 0.00% X From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [574] 0.
Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) [569] + [574] ..... = [575] 0.

**** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – [585] 0.

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) [ ] Yes

Capital Tax – Financial Institutions [575] – [585] ..... = [586] 0.
Transfer to [543] on Page12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.
Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – [589] 0.

Premium Tax [588] – [589] ..... = [590] 0.
Transfer to page 17

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ± 600 5,601,489.
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	2,703,568.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	7,344,811.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	7,685,345.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

612	0.	x 5 ÷ 12.5000 x	Days after Sept. 30, 2001 and before Jan. 1, 2004	33	365 ÷	Total Days 73	365	= + 633	0.
612	0.	x 5 ÷ 14.0000 x	Days after Dec. 31, 2003 and before Jan. 1, 2005	34	0 ÷	Total Days 73	365	= + 634	0.

Total add-back amount for Management fees, etc. 633 + 634 =	0.	+ 613	0.
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161		+ 615	0.
Add any negative amount in 473 from Ont. CT23 Schedule 161		+ 616	0.
Federal allowable business investment loss		+ 620	0.
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*		+ 614	0.
Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614		=	17,733,724. 640 17,733,724.

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	2,703,568.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	7,344,811.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	7,685,345.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) ***(Applies** only to electrical generating corporations.)*	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	17,733,724.

Transfer to Page 15

continued on Page 15

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From ± 600 5,601,489.

Total of Additions ..... From = 640 17,733,724.

Subtotal of deductions on page 14 ..... From = 681 17,733,724.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

[From 662 0. x Gross-up of CCA 100 / From 30 .0000 Ontario Allocation] – From 662 0. = 663 0.

Workplace Child Care Tax Incentive

Qualifying expenditures: [665 0. x 30.00% x 100 / From 30 100.0000 Ontario Allocation] = 666 0.

Workplace Accessibility Tax Incentive

Qualifying expenditures: [667 0. x 100.00% x 100 / From 30 100.0000 Ontario Allocation] = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 0. x 30.00% x 100 / From 30 100.0000 Ontario Allocation] = 671 0.

Educational Technology Tax Incentive: (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: [672 0. x 15.00% x 100 / From 30 100.0000 Ontario Allocation] = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Ontario Scientific Research Expenses claimed in year in from Ont. CT23 Schedule 161 477 ..... + 679 0.

Amount added to income federally for an amount that was negative in line 454 of federal form T661 ..... + 677 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 .. = 17,733,724. 680 17,733,724.

Net income (loss) for Ontario Purposes 600 + 640 – 680 ..... = 690 5,601,489.

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 435,003	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 0	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 0	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 (2) 435,003	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 435,003	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 0	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1995-09-30				850 0	870 0
801 8th preceding taxation year 1996-09-30				851 0	871 0
802 7th preceding taxation year 1997-09-30				852 0	872 0
803 6th preceding taxation year 1998-09-30	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1999-09-30	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 2000-09-30	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2001-09-30	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2001-12-31	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2002-12-31	825 0	835 0	845 0	858 0	878 0
809 Current taxation year 2003-12-31	826 0	836 0	846 0	859 0	879 0
Total	829 0	839 0	849 0	869 0	889 0

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

DOLLARS ONLY

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Ministry of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Predecessor Ontario Corporation's Tax Account No. (MOF)		Taxation Year Ending year month day	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss				910 0	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income							
i) 3rd preceding		901		911 0	921 0	931 0	941 0
ii) 2nd preceding		902		912 0	922 0	932 0	942 0
iii) 1st preceding		903		913 0	923 0	933 0	943 0
Total loss to be carried back				From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward				919 0	929 0	939 0	949 0

Summary

Income tax	+ From 230	or 320	645,811.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		224,591.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		870,402.
Subtract: Payments	– 960		440,615.
Capital Gains Refund (s.48)	– 965		0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	– 985		0.
Specified Tax Credits *(Refer to Guide)*	– 955		0.
Other (specify) _____	–		0.
Balance	= 970		429,787.
If payment due	Enclosed * 990		429,787.
If overpayment: Refund *(Refer to Guide)*	= 975		0.
Apply to (year month day)	980		0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

Michael Chase

Title

Controller

Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Corp. Tax Acct. No. : 1800157 Year Ended: PILs 2008 Attached Sch. 12 g1

Loans

Due to City of Oshawa	23,064,000.00
Customer deposits	4,402,000.00
Other (Development Fund)	441,791.00
Deferred revenue	13,000.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	27,920,791.00

UCC vs NBV

UCC per Ont Sch. 8		-54,072,619.00
NBV per F/S		37,804,812.00
less: land		-98,896.00
less: WIP		-1,731,609.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-18,098,312.00

Non-deductible reserves

Employee future benefits	7,215,569.00
Employee sick leave benefits	369,776.00
Environmental provision	100,000.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	7,685,345.00

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

DOLLARS ONLY

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net Income/Loss (unconsolidated, determined in accordance with GAAP)				± 2100	3,093,000.
Subtract (to the extent reflected in net income/loss):					
Provision for recovery of income taxes / benefit of current income taxes		+ 2101	0.		
Provision for deferred income taxes (credits) / benefit of future income taxes		+ 2102	0.		
Equity income from corporations		+ 2103	0.		
Share of partnership(s)/joint venture(s) income		+ 2104	0.		
Dividends received/receivable deductible under fed.s.112		+ 2105	0.		
Dividends received/receivable deductible under fed.s.113		+ 2106	0.		
Dividends received/receivable deductible under fed.s.83(2)		+ 2107	0.		
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1)	0. x 9/4	+ 2108	0.		
Subtotal		=	0.	- 2109	0.
Add (to extent reflected in net income/loss):					
Provision for current taxes / cost of current income taxes		+ 2110	1,941,000.		
Provision for deferred income taxes (debits) / cost of future income taxes		+ 2111	0.		
Equity losses from corporations		+ 2112	0.		
Share of partnership(s)/joint venture(s) losses		+ 2113	0.		
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))		+ 2114	0.		
Subtotal		=	1,941,000.	+ 2115	1,941,000.
Add/Subtract:					
Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years					
** Fed.s.85		+ 2116	0. or	- 2117	0.
** Fed.s.85.1		+ 2118	0. or	- 2119	0.
** Fed.s.97		+ 2120	0. or	- 2121	0.
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years		+ 2122	0. or	- 2123	0.
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years		+ 2124	0. or	- 2125	0.
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years		+ 2126	0. or	- 2127	0.
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income				- 2150	0.
Subtotal (Additions)	=	0.		+ 2128	0.
Subtotal (Subtractions)		=	0.	- 2129	0.
** Other adjustments				± 2130	0.
Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130				= 2131	5,034,000.
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss				± 2132	0.
Adjusted net income (loss) (if loss, transfer to 2202 *in Schedule B: Continuity of CMT Losses Carried Forward, Page 19.)*				= 2133	5,034,000.
Deduct: * CMT losses: pre-1994 Loss		+ From 2210	0.		
* CMT losses: other eligible losses		+ 2211	1,097,503.		
		=	1,097,503.	2134	1,097,503.
CMT Base				= 2135	3,936,497.

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this tax return.*

Transfer to CMT Base on Page 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)				+ 2201	1,097,503.
Add:	Current year's losses	+ 2202	0.		
	Losses from predecessor corporations on amalgamation (3)	+ 2203	0.		
	Losses from predecessor corporations on wind-up (3)	+ 2204	0.		
	Amalgamation (x) 2205 ☐ Yes Wind-up (x) 2206 ☐ Yes				
Subtotal		=	0.	+ 2207	0.
Adjustments (attach schedule)				± 2208	0.
CMT losses available	2201 + 2207 ± 2208			= 2209	1,097,503.
Subtract:	Pre-1994 loss utilized during the year to reduce adjusted net income	+ 2210	0.		
	Other eligible losses utilized during the year to reduce adjusted net income (4)	+ 2211	1,097,503.		
	Losses expired during the year	+ 2212	0.		
Subtotal		=	1,097,503.	− 2213	1,097,503.
Balances at End of Year (5)	2209 − 2213			= 2214	0.

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 2001-12-31	2260 0	2280 0
2241	8th preceding taxation year 2002-12-31	2261 0	2281 0
2242	7th preceding taxation year 2003-12-31	2262 0	2282 0
2243	6th preceding taxation year	2263 0	2283 0
2244	5th preceding taxation year	2264 0	2284 0
2245	4th preceding taxation year	2265 0	2285 0
2246	3rd preceding taxation year	2266 0	2286 0
2247	2nd preceding taxation year	2267 0	2287 0
2248	1st preceding taxation year	2268 0	2288 0
2249	Current taxation year	2269 0	2289 0
Totals		2270 0	2290 0

The sum of amounts 2270 + 2290 *must equal amount in* 2214

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2003-12-31

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule D: Continuity of CMT Credit Carryovers

Balance at Beginning of year (1) ..... + 2301 **0.**

Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL) ..... + From 280 **0.**

CMT Credit Carryovers from predecessor corporations (2) ..... + 2302 **0.**

Amalgamation (x) 2303 ☐ Yes Wind-up (x) 2304 ☐ Yes

Subtotal ..... = **0.** + 2305 **0.**

Adjustments *(Attach schedule)* ..... ± 2306 **0.**

CMT credit carryover available 2301 + 2305 ± 2306 ..... = 2307 **0.**

Transfer to Page 8

Subtract: CMT Credit utilized during the year to reduce income tax (Page 8) + From 310 **0.**

CMT Credit expired during the year ..... + 2308 **0.**

Subtotal ..... = **0.** − 2309 **0.**

Balance at End of Year (3) 2307 − 2309 ..... = 2310 **0.**

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in 2310 must equal sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	9th preceding taxation year 2001-12-31	2360 **0**	2380 **0**
2341	8th preceding taxation year 2002-12-31	2361 **0**	2381 **0**
2342	7th preceding taxation year 2003-12-31	2362 **0**	2382 **0**
2343	6th preceding taxation year	2363 **0**	2383 **0**
2344	5th preceding taxation year	2364 **0**	2384 **0**
2345	4th preceding taxation year	2365 **0**	2385 **0**
2346	3rd preceding taxation year	2366 **0**	2386 **0**
2347	2nd preceding taxation year	2367 **0**	2387 **0**
2348	1st preceding taxation year	2368 **0**	2388 **0**
2349	Current taxation year	2369 **0**	2389 **0**
Totals		2370 **0**	2390 **0**

The sum of amounts 2370 + 2390 *must equal amount in* 2310.

Oshawa PUC Networks Inc.		PILs Ontario Rates
Corp. Tax Acct. No. :1800157	Year Ended:	2003-12-31

Calculation of Tax Rates for the

- Incentive Deduction for Small Business Corporations (IDSBC) (Small Business Tax Credit) (S.41)
- Surtax on Canadian-controlled Private Corporations (s.41.1)

1. Calculation of IDSBC Rate

Number of Days In Taxation Year

		Days after December 31, 1998 and before January 1, 2000		Total Days		
7.00%	x	0	/	365	=	.0000%
		Days after Dec 31, 1999 and before Jan 1, 2001		Total Days		
7.50%	x	0	/	365	=	.0000%
		Days after Dec 31, 2000 and before Oct 1, 2001		Total Days		
7.50%	x	0	/	365	=	.0000%
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
6.50%	x	0	/	365	=	.0000%
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
7.00%	x	365	/	365	=	7.0000%
		Days after Dec 31, 2003 and before Jan 1, 2005		Total Days		
8.50%	x	0	/	365	=	.0000%
IDSBC Rate for the Taxation Year					=	7.0000%

Oshawa PUC Networks Inc. PILs Ontario Rates
Corp. Tax Acct. No. :1800157 Year Ended: 2003-12-31

2. Calculation of Specified Rate for Surtax

Number of Days In Taxation Year

		Days after Dec 31, 1998 and before Jan 1, 2000		Total Days		
4.67%	x	0	/	365	=	.0000%
		Days after Dec 31, 1999 and before Jan 1, 2001		Total Days		
5.00%	x	0	/	365	=	.0000%
		Days after Dec 31, 2000 and before Oct 1, 2001		Total Days		
5.00%	x	0	/	365	=	.0000%
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
4.3330%	x	0	/	365	=	.0000%
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
4.6670%	x	365	/	365	=	4.6670%
		Days after Dec 31, 2003 and before Jan 1, 2005		Total Days		
4.6670%	x	0	/	365	=	.0000
Specified Rate of Surtax for the Taxation Year					=	4.6670%

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2003-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
OSHAWA POWER AND UTILITIES CORPORATION	1800156	2003-12-31	+
OSHAWA PUC ENERGY SERVICES INC.	8114793	2003-12-31	+
OSHAWA PUC SERVICES INC.	8114781	2003-12-31	+
			+
			+
			+
			+
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			+
			+
			+
			+
			+
		Total	
		Transfer to 85 *of the CT23*	=

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Corporate Minimum Tax - Associated Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2003-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
OSHAWA POWER AND UTILITIES CORPORATION	1800156	2003-12-31	+ 23,121,147	+ 875,599
OSHAWA PUC ENERGY SERVICES INC.	8114793	2003-12-31	+ 1,026	+ 29
OSHAWA PUC SERVICES INC.	8114781	2003-12-31	+ 339,909	+ 149,853
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
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			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
		Totals	= 23,462,082	= 1,025,481
			Transfer to 249 *of the CT23*	*Transfer to* 250 *of the CT23*

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	50,219,732	4,145,203	0	0	54,364,935	2,072,601	52,292,334	4	0	0	2,091,693	52,273,242
8	568,034	83,466	0	0	651,500	41,733	609,767	20	0	0	121,953	529,547
10	1,404,934	162,962	0	0	1,567,896	81,481	1,486,415	30	0	0	445,925	1,121,971
42	107,526	0	0	0	107,526	0	107,526	12	0	0	12,903	94,623
13	34,481	0	0	0	34,481	0	34,481		0	0	9,200	25,281
13	10,909	0	0	0	10,909	0	10,909		0	0	2,424	8,485
12	0	38,940	0	0	38,940	19,470	19,470	100	0	0	19,470	19,470
Total	52,345,616	4,430,571	0	0	56,776,187	2,215,285	54,560,902		0	0	2,703,568	54,072,619
									Enter in boxes [650]	[650]	[650] on the CT23	

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Oshawa PUC Networks Inc.
891725210RC0001
December 31, 2003

Pursuant to subsection 13(7.4) of the Income Tax Act, Oshawa PUC Networks Inc. is electing to reduce the capital cost of additions to Class 1 by $1,899,538.

Signature: _____

Michael Chase, Controller
Oshawa PUC Networks Inc.

Date: _____

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2003-12-31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
OSHAWA POWER AND UTILITIES CORPORATION	1800156	2003-12-31	+ 55,445
OSHAWA PUC ENERGY SERVICES INC.	8114793	2003-12-31	+
OSHAWA PUC SERVICES INC.	8114781	2003-12-31	+ 254,139
			+
			+
			+

Indicate Instalment Method Chosen [1-3]: 1
1st Instalment Base Method

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) 1

1. 1st INSTALMENT BASE METHOD

1st Instalment Base Amount (Amount (I) Below)	1,305,253	/ 12 =		108,772
		Monthly Instalments Required		108,772

2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD

2nd Instalment Base Amount:

Indicate:	Part I Tax	0			
	Part I.3, VI & VI.I Tax	111,299			
	Provincial Tax	0			
	Total	111,299	/ 12 =	(A)	9,275
Less: 1/12 of Estimated Current Yr Credits [(H) below / 12]					0
Each of the first 2 Instalment Payments			=	(B)	9,275
Total tax from (I) below		1,305,253			
Less: Amount (B) above x 2		18,550			
		1,286,703	/ 10 =		128,671
Each of the remaining 10 Instalment Payments					128,671

3. ESTIMATED TAX METHOD

Instalment Base Amount (Amount (I) Below)	0	/ 12 =	0
		Monthly Instalments Required	0

Oshawa PUC Networks Inc. PILs Instal-Fed.
Account/Business No.:891725210RC0001 Year Ended: 2003-12-31

FEDERAL TAX INSTALMENTS

For The Taxation Year Ended: 2004-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made either to an authorized financial institution or filed with form T9 (instalment form) and addressed to the appropriate Revenue Canada Taxation Centre.

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2004-01-31	108,772	0	0	108,772
2004-02-29	108,772	0	0	108,772
2004-03-31	108,772	0	0	108,772
2004-04-30	108,772	0	0	108,772
2004-05-31	108,772	0	0	108,772
2004-06-30	108,772	0	0	108,772
2004-07-31	108,772	0	0	108,772
2004-08-31	108,772	0	0	108,772
2004-09-30	108,772	0	0	108,772
2004-10-31	108,772	0	0	108,772
2004-11-30	108,772	0	0	108,772
2004-12-31	108,772	0	0	108,772
Total	1,305,264	0		1,305,264

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200 Code 0401

055 Do not use this area

CLIENT COPY

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

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

Business Number (BN) 001 891725210RC0001

Corporation's name

002 Oshawa PUC Networks Inc. PILs

Has the corporation changed its name since the last time we were notified? 003 1 Yes [ ] 2 No [X]

If *Yes*, do you have a copy of the articles of amendment? 004 1 Yes [ ] 2 No [ ]

Address of head office

Has the address changed since the last time we were notified? 010 1 Yes [ ] 2 No [X]

011 100 Simcoe Street South

012

City	Province, territory, or state
015 Oshawa	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 L1H-7M7

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? 020 1 Yes [ ] 2 No [X]

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

Has the location of books and records changed since the last time we were notified? 030 1 Yes [ ] 2 No [X]

031 100 Simcoe Street South

032

City	Province, territory, or state
035 Oshawa	036 ON
Country (other than Canada)	**Postal code/ZIP code**
037	038 L1H-7M7

040 **Type of corporation at the end of the taxation year**

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

If the type of corporation changed during the taxation year, provide the effective date of the change 043 YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start 060 2004-01-01 YYYY/MM/DD

Taxation year-end 061 2004-12-31 YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes [ ] 2 No [X]

If *Yes*, give the date control was acquired 065 YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? 070 1 Yes [ ] 2 No [X]
Amalgamation? 071 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If *No*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes [ ] 2 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)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141. * We do not print these schedules.

Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

Guide item			Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160	X	23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	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	X	11
33	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
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	X	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	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?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		—
46	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
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province or a territory, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204		4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
103	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	Is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
124	Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	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
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128	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
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
153	Is the corporation claiming a film or video production services tax credit refund?	254		T1177
130	Is the corporation subject to Part XIII.1 tax?	255		92 *

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Attachments continued from page 2

Guide item			Yes	Schedule
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256		T1134-A
44	Did the corporation have any controlled foreign affiliates?	258		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
44	Did the corporation transfer or loan property to a non-resident trust?	260		T1141
44	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

Additional information

Is the corporation inactive?	280	1 Yes	2 No X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes	2 No X

What is the corporation's major business activity? (Only complete if *Yes* was entered at line 281.) 282

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale 2 Retail

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

284	Utility Distribution	285	100%
286		287	0%
288		289	0%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes	2 No X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes	2 No X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300 5,530,539	A
Deduct: Charitable donations from Schedule 2	311	0		
Gifts to Canada, a province, or a territory from Schedule 2	312	0		
Cultural gifts from Schedule 2	313	0		
Ecological gifts from Schedule 2	314	0		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	0		
Part VI.1 tax deduction from Schedule 43*	325	0		
Non-capital losses of preceding taxation years from Schedule 4	331	0		
Net-capital losses of preceding taxation years from Schedule 4	332	0		
Restricted farm losses of preceding taxation years from Schedule 4	333	0		
Farm losses of preceding taxation years from Schedule 4	334	0		
Limited partnership losses of preceding taxation years from Schedule 4	335	0		
Taxable capital gains or taxable dividends allocated from a central credit union	340	0		
Prospector's and grubstaker's shares	350	0		
Subtotal		0	0	B
Subtotal (amount A minus amount B) (if negative, enter "0")			5,530,539	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions			355 0	D
Taxable income (amount C plus amount D)			360 5,530,539	
Income exempt under paragraph 149(1)(t)			370 0	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			5,530,539	Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Small business deduction

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

Income from active business carried on in Canada from Schedule 7	400	5,530,539	A
Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax	405	5,530,539	B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

200,000	x	Number of days in the taxation year before 2003 / Number of days in the taxation year	0 / 366	=	0	1
225,000	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 366	=	0	2
250,000	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	366 / 366	=	250,000	3
300,000	x	Number of days in the taxation year after 2004 / Number of days in the taxation year	0 / 366	=	0	3.1

Add amounts at lines 1, 2, 3, and 3.1 — 250,000 — 4

Business limit (see notes 1 and 2 below)	410	250,000	C

Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation 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 at line 410.

Business limit reduction:

Amount C 250,000 x [415]*** 116,961 D / 11,250 = 2,599,133 E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	0	F
Small business deduction - 16.00% of whichever amount is least: A, B, C, or F (enter amount G on line 9 of page 7)	430	0	G

* Calculate the amount of foreign non-business income tax credit deductible at 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 at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus $10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)	0	x 300,000 / line 4 above	=	0	A
Net active business income (amount from line 400) *				5,530,539	B
Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt for Part I tax	5,530,539	C			
Deduct:					
Aggregate investment income (amount from line 440 of page 6)	0	D			
Amount C minus amount D (if negative, enter "0")	5,530,539			5,530,539	E
Amount A, B, or E above, whichever is less				0	F
Amount Z from Part 9 of Schedule 27	0	x 100/7 =	0	G	
Amount QQ from Part 13 of Schedule 27			0	H	
Taxable resource income from line 435 of page 5			0	I	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0	J	
Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less			0	K	
Total of amounts G, H, I, J, and K			0		
				0	L
Amount F minus amount L (if negative, enter "0")				0	M
Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7)				0	N

Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

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

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] ..... 435 0 A

Amount A	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 366 x 1% =	0 B
Amount A	0	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	366 / 366 x 2% =	0 C
Amount A	0	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0 / 366 x 3% =	0 C.1
Amount A	0	x	Number of days in the taxation year in 2006 / Number of days in the taxation year	0 / 366 x 5% =	0 C.2

Resource deduction – total of amounts B, C, C.1, and C.2 ..... 438 0 D
(enter amount D on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... 5,530,539 E

Amount Z from Part 9 of Schedule 27	0 x 100/7 = 0	F
Amount QQ from Part 13 of Schedule 27	0	G
Taxable resource income from line 435 above	0	H
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	0	I
Amount on line 400, 405, 410, or 425 on page 4, whichever is less	0	J
Aggregate investment income from line 440 of page 6	0	K
Amount used to calculate the accelerated tax reduction (amount M of page 4)	0	L
Total of amounts F, G, H, I, J, K, and L	0	0 M

Amount E minus amount M (if negative, enter "0") ..... 5,530,539 N

Amount N	5,530,539	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 366 x 3% =	0 O
Amount N	5,530,539	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 366 x 5% =	0 P
Amount N	5,530,539	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	366 / 366 x 7% =	387,138 Q

General tax reduction for Canadian-controlled private corporations - total of amounts O, P, and Q ..... 387,138 R
(enter amount R on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 of page 3 ..... 0 S

Amount Z from Part 9 of Schedule 27	0 x 100/7 = 0	T
Amount QQ from Part 13 of Schedule 27	0	U
Taxable resource income from line 435 above	0	V
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	0	W
Total of amounts T, U, V, and W	0	0 X

Amount S minus amount X (if negative, enter "0") ..... 0 Y

Amount Y	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 366 x 3% =	0 Z
Amount Y	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 366 x 5% =	0 AA
Amount Y	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	366 / 366 x 7% =	0 BB

General tax reduction - total of amounts Z, AA, and BB ..... 0 CC
(enter amount CC on line 639 of page 7)

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7) .... 440 0 x 26 2/3% = ... 0 A

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

Foreign investment income (amount O from Part 1 of Schedule 7) ..... 445 0 x 9 1/3% = ... 0
(if negative, enter "0") 0 — 0 B

Amount A minus amount B (if negative, enter "0") ..... 0 C

Taxable income from line 360 on page 3 5,530,539

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is less 0

Foreign non-business income tax credit from line 632 of page 7 ..... 0 x 25/9 = 0

Foreign business income tax credit from line 636 of page 7 ..... 0 x 3 = 0

0 — 0

5,530,539 x 26 2/3% = 1,474,810 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 1,223,355

Deduct: Corporate surtax from line 600 of page 7 61,942

Net amount ..... 1,161,413 — 1,161,413 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is less ..... 450 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 0

Deduct: Dividend refund for the previous taxation year 465 0

0 — 0 A

Add the total of:

Refundable portion of Part I tax from line 450 above 0

Total Part IV tax payable from line 360 on page 2 of Schedule 3 0

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480 0

0 — 0 B

Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B 485 0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 ..... 0 x 1/3 — 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... 0 B

Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8) 0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Part I tax

Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 2,101,605 A

Corporate surtax calculation

Base amount from line A above	2,101,605	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	553,054	2
Investment corporation deduction from line 620 below	0	3
Federal logging tax credit from line 640 below	0	4
Federal qualifying environmental trust tax credit from line 648 below	0	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3	0	a	
28.00% of taxed capital gains	0	b	0 6
Part I tax otherwise payable	0	c	
(line A **plus** lines C and D **minus** line F) Total of lines 2 to 6			553,054 7
Net amount (line 1 minus line 7)			1,548,551 8

Corporate surtax – 4.00% of the amount on line 8 ..... 600 61,942 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0	i
Taxable income from line 360 on page 3	5,530,539		
Deduct:			
Amount on lines 400, 405, 410, or 425 of page 4, whichever is less	0		
Net amount	5,530,539	5,530,539	ii

Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) 2,163,547 E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	553,054	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction – credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount N of page 4	637	0	
Resource deduction from line 438 of page 5		0	10
General tax reduction for CCPCs from amount R of page 5	638	387,138	
General tax reduction from amount CC of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
	Subtotal	940,192	940,192 F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 1,223,355 G

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	1,223,355
Part I.3 tax payable from Schedule 33, 34, or 35	704	0
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		1,223,355

Add provincial and territorial tax:

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

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0
		0
Total tax payable	770	1,223,355 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0
Dividend refund from page 6	784	0
Federal capital gains refund from Schedule 18	788	0
Federal qualifying environmental trust tax credit refund	792	0
Canadian film or video production tax credit refund from Form T1131	796	0
Film or video production services tax credit refund from Form T1177	797	0
Tax withheld at source	800	0
Total payments on which tax has been withheld	801	0
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0
Provincial and territorial capital gains refund from Schedule 18	808	0
Provincial and territorial refundable tax credits from Schedule 5	812	0
Royalties deductible under Syncrude Remission Order	815	0
Tax remitted under Syncrude Remission Order	816	0
Tax instalments paid	840	1,223,355
Total credits	890	1,223,355 B
Balance (line A minus line B)		0

Refund code 894 0 Overpayment 0

If the result is negative, you have an **overpayment.**
If the result is positive, you have a **balance unpaid.**
Enter the amount on whichever line applies.
We do not charge or refund a difference of $2 or less.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 Chase (Last name in block letters) 951 Michael (First name in block letters) 954 Controller (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 further certify that the method of calculating income for this taxation year is consistent with that of the previous 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

956 905-723-4626 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☒ 2 No ☐

958 Name in block letters 959 Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Identification of the corporation (Imported Data)

Name of the corporation	Oshawa PUC Networks Inc.		
Business Number	891725210RC0001	Taxation year end	
Address	100 Simcoe Street South	City	Oshawa
Province, Territory	ON	Postal code	L1H-7M7

Balance Sheet

GIFI	Account	Description		Amount	Prior Year
		Assets			
1599		Total current assets	+	34,211,000	36,994,000
2008		Total tangible capital assets	+	102,583,000	94,891,000
2009		Total accumulated amortization of tangible capital assets	-	60,425,000	57,086,000
2178		Total intangible capital assets	+	0	0
2179		Total accumulated amortization of intangible capital assets	-	0	0
2589		Total long-term assets	+	2,013,000	2,961,000
2590		Assets held in trust	+	0	0
2599		**Total Assets** (mandatory field)	=	78,382,000	77,760,000
		Liabilities			
3139		Total current liabilities		12,764,000	15,723,000
3450		Total long-term liabilities		36,499,323	35,605,323
3460		Subordinated debt		0	0
3470		Amounts held in trust		0	0
3499		**Total liabilities** (mandatory field)		49,263,323	51,328,323
		Shareholder equity			
3620		**Total shareholder equity** (mandatory field)		29,118,677	26,431,677
3640		**Total Liabilities and Shareholder Equity**		78,382,000	77,760,000
3849		**Retained Earnings/Deficit - End** (mandatory field)		6,055,011	3,368,011

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

shawa PUC Networks Inc.
ccount/Business No.: 891725210RC0001 Year Ended: 2004-12-31

ENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

urrent Assets

GIFI		Account Description	Amount	Prior year
— Cash and deposits				
1000	*	Cash and deposits	10,575,000	20,555,000
1001		Cash	0	0
1002		Deposits in Canadian banks and institutions - Canadian currency	0	0
1003		Deposits in Canadian banks and institutions - foreign currency	0	0
1004		Deposits in foreign banks - Canadian currency	0	0
1005		Deposits in foreign banks - foreign currency	0	0
1006		Credit union central deposits	0	0
1007		Other cash like instruments	0	0
		Cash and deposits	+ 10,575,000	20,555,000
— Accounts receivable				
1060	*	Accounts receivable	0	0
1062		Trade accounts receivable	6,711,000	5,323,000
1064		Trade accounts receivable from related parties	0	0
1066		Taxes receivable	0	0
1067		Interest receivable	0	0
1068		Holdbacks receivable	0	0
1069		Leases receivable	0	0
1071		Accounts receivable from employees	0	0
1073		Amounts receivable from members of NPOs	0	0
		Accounts receivable	+ 6,711,000	5,323,000
— Allowance for doubtful accounts				
1061	*	Allowance for doubtful accounts	0	0
1063		Allowance for doubtful trade accounts receivable	0	0
1065		Allowance for doubtful trade accounts receivable related parties	0	0
1070		Allowance for doubtful amounts contained in leases receivable	0	0
1072		Allowance for doubtful accounts receivable from employees	0	0
		Allowance for doubtful accounts	- 0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Inventories

1120	*	Inventories	443,000	481,000
1121		Inventory of goods for sale	0	0
1122		Inventory parts and supplies	0	0
1123		Inventory properties	0	0
1124		Inventory of aggregates	0	0
1125		Work in progress	0	0
1126		Raw materials	0	0
1127		Inventory of securities	0	0
		Inventories	+ 443,000	481,000

Short-term investments

1180	*	Short-term investments	0	0
1181		Canadian term deposits	0	0
1182		Canadian shares	0	0
1183		Canadian bonds	0	0
1184		Canadian treasury bills	6,000,000	0
1185		Securities purchased under resale agreements	0	0
1186		Other short-term Canadian investments	0	0
1187		Short-term foreign investments	0	0
		Short-term investments	+ 6,000,000	0

Loans and notes receivable

1240	*	Loans and notes receivable	0	0
1241		Demand loans receivable	0	0
1242		Other loans receivable	0	0
1243		Notes receivable	0	0
1244		Mortgages receivable	0	0
		Loans and notes receivable	+ 0	0

Due from shareholder(s)/director(s)

1300	*	Due from shareholder(s)/director(s)	0	0
1301		Due from individual shareholder(s)	0	0
1302		Due from corporate shareholder(s)	0	0
1303		Due from director(s)	0	0
		Due from shareholder(s)/director(s)	+ 0	0

1360		Investment in joint venture(s)/partnership(s)	+ 0	0
1380		Due from joint venture(s)/partnerships(s)	+ 0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Due from/investment in related parties

1400	*	Due from/investment in related parties	490,000	336,000
1401		Demand notes from related parties	0	0
1402		Interest receivable from related parties	0	0
1403		Loans/advances due from related parties	0	0
		Due from/investment in related parties +	490,000	336,000

1460		Customers' liability under acceptances +	0	0

Other current assets

1480	*	Other current assets	9,783,000	10,258,000
1481		Deferred income taxes	0	0
1482		Accrued investment income	0	0
1483		Taxes recoverable/refundable	0	0
1484		Prepaid expenses	209,000	41,000
1485		Drilling advances	0	0
1486		Security/tender deposits	0	0
		Other current assets +	9,992,000	10,299,000

1599		**Total Current Assets** =	34,211,000	36,994,000

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Tangible Capital Assets

GIFI	Account	Description		Amount	Prior year
1600		Land	+	99,000	99,000
1601		Land improvements	+	0	0
		Depletable assets			
1620	*	Depletable assets		0	0
1622		Petroleum and natural gas properties		0	0
1624		Mining properties		0	0
1626		Deferred exploration and development charges		0	0
1628		Quarries		0	0
1630		Gravel pits		0	0
1632		Timber limits		0	0
		Depletable assets	+	0	0
		Buildings			
1680	*	Buildings		534,000	534,000
1682		Manufacturing and processing plant		0	0
1684		Buildings under construction		0	0
		Buildings	+	534,000	534,000
		Machinery, equipment, furniture, and fixtures			
1740	*	Machinery, equipment, furniture, and fixtures		2,631,000	2,511,000
1742		Motor vehicles		3,908,000	3,245,000
1744		Tools and dies		0	0
1746		Construction and excavating equipment		0	0
1748		Forestry and logging equipment		0	0
1750		Fishing gear and nets		0	0
1752		Mining equipment		0	0
1754		Oil and gas systems		0	0
1756		Production equipment for resource industries		0	0
1758		Production equipment for other than resource industries		0	0
1760		Exploration equipment		0	0
1762		Shipping equipment		0	0
1764		Ships and boats		0	0
1766		Aircraft		0	0
1768		Signs		0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Machinery, equipment, furniture, and fixtures (cont'd)

1770	Small tools		0	0
1772	Radio and communication equipment		0	0
1774	Computer equipment/software		1,826,000	1,736,000
1776	Musical instruments		0	0
1778	Satellites		0	0
1780	Earth stations		0	0
1782	Machinery and equipment under construction		1,489,000	1,731,000
1783	Transportation equipment		92,096,000	85,035,000
1785	Other machinery and equipment		0	0
1787	Furniture and fixtures		0	0
	Machinery, equipment, furniture, and fixtures	+	101,950,000	94,258,000

Other tangible capital assets

1900	* Other tangible capital assets		0	0
1902	Logging roads		0	0
1904	Asphalt and parking areas		0	0
1906	Wharves		0	0
1908	Fences		0	0
1910	Capital leases - buildings		0	0
1912	Capital leases - equipment		0	0
1914	Capital leases - vehicles		0	0
1916	Capital leases - others		0	0
1918	Leasehold improvements		0	0
1920	Other capital assets under construction		0	0
1921	Campsites		0	0
	Other tangible capital assets	+	0	0

2008	**Total Tangible Capital Assets**	=	102,583,000	94,891,000

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Accumulated Amortization of Tangible Capital Assets

GIFI	Account	Description		Amount	Prior year
1602		Land improvements	+	0	0
		Accumulated amortization of depletable assets			
1621	*	Depletable assets		0	0
1623		Petroleum and natural gas properties		0	0
1625		Mining properties		0	0
1627		Deferred exploration and development charges		0	0
1629		Quarries		0	0
1631		Gravel pits		0	0
1633		Timber limits		0	0
		Accumulated amortization of depletable assets	+	0	0
		Accumulated amortization of buildings			
1681	*	Buildings		258,000	250,000
1683		Manufacturing and processing plant		0	0
		Accumulated amortization of buildings	+	258,000	250,000
		Accumulated amortization of machinery, equipment, furniture, and fixtures			
1741	*	Machinery, equipment, furniture, and fixtures		2,285,000	2,191,000
1743		Motor vehicles		2,980,000	2,779,000
1745		Tools and dies		0	0
1747		Construction and excavating equipment		0	0
1749		Forestry and logging equipment		0	0
1751		Fishing gear and nets		0	0
1753		Mining equipment		0	0
1755		Oil and gas systems		0	0
1757		Production equipment for resource industries		0	0
1759		Production equipment for other than resource industries		0	0
1761		Exploration equipment		0	0
1763		Shipping equipment		0	0
1765		Ships and boats		0	0
1767		Aircraft		0	0
1769		Signs		0	0
1771		Small tools		0	0
1773		Radio and communication equipment		0	0
1775		Computer equipment/software		1,630,000	1,533,000
1777		Musical instruments		0	0
1779		Satellites		0	0
1781		Earth stations		0	0
1784		Transportation equipment		53,272,000	50,333,000
1786		Other machinery and equipment		0	0
1788		Furniture and fixtures		0	0
		Accumulated amortization of machinery, equipment, furniture, and fixtures	+	60,167,000	56,836,000

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Accumulated amortization of other tangible capital assets

1901	*	Other tangible capital assets	0	0
1903		Logging roads	0	0
1905		Asphalt and parking areas	0	0
1907		Wharves	0	0
1909		Fences	0	0
1911		Capital leases - buildings	0	0
1913		Capital leases - equipment	0	0
1915		Capital leases - vehicles	0	0
1917		Capital leases - others	0	0
1919		Leasehold improvements	0	0
1922		Campsites	0	0
		Accumulated amortization of other tangible capital assets +	0	0

2009	**Total Accumulated Amortization of Tangible Capital Assets**	=	60,425,000	57,086,000

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Long-Term Assets

GIFI		Account	Description		Amount	Prior year
Due from shareholder(s)/director(s)						
2180	*		Due from shareholder(s)/director(s)		0	0
2181			Due from individual shareholder(s)		0	0
2182			Due from corporate shareholder(s)		0	0
2183			Due from director(s)		0	0
			Due from shareholder(s)/director(s)	+	0	0
2190			Due from members	+	0	0
2200			Investment in joint venture(s)/partnership(s)	+	0	0
2220			Due from joint venture(s)/partnership(s)	+	0	0
Due from/investment in related parties						
2240	*		Due from/investment in related parties		0	0
2241			Due from/investment in Canadian related parties		0	0
2242			Shares in Canadian related corporations		0	0
2243			Loans/advances to Canadian related corporations		0	0
2244			Investment in Canadian related corporations at cost		0	0
2245			Investment in Canadian related corporations at equity		0	0
2246			Due from/investment in foreign related parties		0	0
2247			Shares in foreign related corporations		0	0
2248			Loans/advances to foreign related corporations		0	0
2249			Investment in foreign related corporations at cost		0	0
2250			Investment in foreign related corporations at equity		0	0
			Due from/investment in related parties	+	0	0
2280			Investment in co-tenancy	+	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

— Long term investments

2300	*	Long term investments	0	0
2301		Foreign shares	0	0
2302		Other types of foreign investments	0	0
2303		Canadian shares	0	0
2304		Government of Canada debt	0	0
2305		Canadian, provincial, and municipal government debt	0	0
2306		Canadian corporate bonds and debentures	0	0
2307		Debt securities	0	0
2308		Equity securities	0	0
2309		Securities purchased under resale agreements	0	0
2310		Central credit union shares	0	0
2311		Other Canadian long-term investments	0	0
		Long term investments	+ 0	0

— Long-term loans

2360	*	Long-term loans	0	0
2361		Mortgages	0	0
2362		Personal and credit card loans	0	0
2363		Business and government loans	0	0
2364		Line of credit	0	0
		Long-term loans	+ 0	0

— Other long-term assets

2420	*	Other long-term assets	2,013,000	2,961,000
2421		Deferred income taxes	0	0
2422		Deferred pension charges	0	0
2423		Deferred unrealized exchange losses	0	0
2424		Other deferred items/charges	0	0
2426		Reserve fund	0	0
2427		Cash surrender value of life insurance	0	0
		Other long-term assets	+ 2,013,000	2,961,000

2425		Accumulated amortization of deferred charges	- 0	0

2589		**Total Long-Term Assets**	= 2,013,000	2,961,000

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

;ENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

;urrent Liabilities

;IFI	Account	Description		Amount	Prior year
2600		Bank overdraft	+	0	0
		Amounts payable and accrued liabilities			
2620	*	Amounts payable and accrued liabilities		12,764,000	15,723,000
2621		Trade payables		0	0
2622		Trade payables to related parties		0	0
2623		Holdbacks payable		0	0
2624		Wages payable		0	0
2625		Management fees payable		0	0
2626		Bonuses payable		0	0
2627		Employee deductions payable		0	0
2628		Withholding taxes payable		0	0
2629		Interest payable		0	0
2630		Amounts payable to members of NPOs		0	0
		Amounts payable and accrued liabilities	+	12,764,000	15,723,000
2680		Taxes payable	+	0	0
		Short term debt			
2700	*	Short term debt		0	0
2701		Loans from Canadian banks		0	0
2702		Liability for securities sold short		0	0
2703		Liability for securities sold under repurchase agreements		0	0
2704		Gold and silver certificates		0	0
2705		Cheques and other items in transit		0	0
2706		Lien notes		0	0
		Short term debt	+	0	0
2770		Deferred income	+	0	0
		Due to shareholder(s)/director(s)			
2780	*	Due to shareholder(s)/director(s)		0	0
2781		Due to individual shareholder(s)		0	0
2782		Due to corporate shareholder(s)		0	0
2783		Due to director(s)		0	0
		Due to shareholder(s)/director(s)	+	0	0
2840		Due to joint venture(s)/partnership(s)	+	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Due to related parties

2860	*	Due to related parties	0	0
2861		Demand notes due to related parties	0	0
2862		Interest payable to related parties	0	0
2863		Advances due to related parties	0	0
		Due to related parties	+ 0	0

2920		Current portion of long-term liability	+ 0	0
2940		Bankers' acceptances	+ 0	0

Other current liabilities

2960	*	Other current liabilities	0	0
2961		Deposits received	0	0
2962		Dividends payable	0	0
2963		Deferred income taxes	0	0
2964		Reserve for guarantees, warranties or indemnities	0	0
2965		General provisions/reserves	0	0
2966		Crew shares	0	0
		Other current liabilities	+ 0	0

3139		**Total Current Liabilities**	= 12,764,000	15,723,000

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Long-Term Liabilities

GIFI		Account Description	Amount	Prior year
Long-term debt				
3140	*	Long-term debt	23,064,000	23,064,000
3141		Mortgages	0	0
3142		Farm credit corporation loan	0	0
3143		Chartered bank loan	0	0
3144		Credit Union/Caisse Populaire loan	0	0
3145		Provincial government loan	0	0
3146		Supply company loan	0	0
3147		Private loan	0	0
3148		Central, league, and federation loans	0	0
3149		Line of credit	0	0
3150		Liability for securities sold short	0	0
3151		Liability for securities sold under repurchase agreements	0	0
3152		Lien notes	0	0
		Long-term debt	+ 23,064,000	23,064,000
3200		Deposit liabilities of financial institutions	+ 0	0
3210		Bonds and debentures	+ 0	0
3220		Deferred income	+ 0	0
3240		Deferred income taxes	+ 0	0
Due to shareholder(s)/director(s)				
3260	*	Due to shareholder(s)/director(s)	0	0
3261		Due to individual shareholder(s)	0	0
3262		Due to corporate shareholder(s)	0	0
3263		Due to director(s)	0	0
		Due to shareholder(s)/director(s)	+ 0	0
3270		Due to members	+ 0	0
3280		Due to joint venture(s)/partnership(s)	+ 0	0
Due to related parties				
3300	*	Due to related parties	0	0
3301		Amounts owing to related Canadian parties	0	0
3302		Amounts owing to related foreign parties	0	0
		Due to related parties	+ 0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

— Other long-term liabilities

3320	*	Other long-term liabilities	13,435,323	12,541,323
3321		Long-term obligations/commitments/capital leases	0	0
3322		Reserves for guarantees, warranties, or indemnities	0	0
3323		Provision for site restoration	0	0
3324		Contributions to qualifying environmental trust	0	0
3325		General provisions/reserves	0	0
3326		Preference shares restated	0	0
3327		Member allocations	0	0
3328		Deferred revenue from incomplete contracts	0	0
		Other long-term liabilities	+ 13,435,323	12,541,323

3450		**Total Long-Term Liabilities**	= 36,499,323	35,605,323

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

ENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

hareholder equity

GIFI	Account	Description		Amount	Prior year
		Shareholder equity			
3500		Common shares	+	23,063,666	23,063,666
3520		Preferred shares	+	0	0
		Contributed and other surplus			
3540	*	Contributed and other surplus		0	0
3541		Contributed surplus		0	0
3542		Appraisal surplus		0	0
3543		General reserve		0	0
		Contributed and other surplus	+	0	0
3570		Head office account	+	0	0
3600		Retained earnings/deficit	+	6,055,011	3,368,011
3620		**Total Shareholder equity**	=	29,118,677	26,431,677

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Retained Earnings/Deficit

GIFI	Account	Description		Amount	Prior year
3660		Retained earnings/deficit - start	+	3,368,011	800,011
3680		Net income/loss	+	3,069,000	3,093,000
		Dividends declared			
3700	*	Dividends declared		1,000,000	525,000
3701		Cash dividends		0	0
3702		Patronage dividends		0	0
		Dividends declared	-	1,000,000	525,000
3720		Prior period adjustments	+	618,000	0
		Other items affecting retained earnings			
3740	*	Other items affecting retained earnings		0	0
3741		Share redemptions		0	0
3742		Special reserves		0	0
3743		Currency adjustments		0	0
3744		Unusual revenue items		0	0
3745		Interfund transfer		0	0
		Other items affecting retained earnings	+	0	0
3849		**Retained Earnings/Deficit - End**	=	6,055,011	3,368,011

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Income Statement

GIFI	Description
0001	Operating name
0002	Description of the operation
0003	Sequence Number

GIFI	Account	Description		Amount	Prior year
Income Statement Information					
8089		Total sales of goods and services	+	98,308,000	93,250,000
8518		Cost of sales	-	81,658,000	75,512,000
8519		**Gross profit/loss**	=	16,650,000	17,738,000
8518		Cost of sales	+	81,658,000	75,512,000
9367		Total operating expenses	+	13,263,000	14,246,000
9368		**Total expenses** (mandatory field)	=	94,921,000	89,758,000
8299		Total revenue (mandatory field)	+	99,989,000	94,792,000
9368		Total expenses (mandatory field)	-	94,921,000	89,758,000
9369		**Net non-farming income**	=	5,068,000	5,034,000
Farming Income Statement Information					
9659		Total farm revenue (mandatory field)	+	0	0
9898		Total farm expenses (mandatory field)	-	0	0
9899		**Net farm income**	=	0	0
9970		**Net Income/Loss before Taxes and Extraordinary Items**		5,068,000	5,034,000

Extraordinary items and income taxes (linked to Schedule 140)

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

9975	Extraordinary item(s)	0	0
9976	Legal settlements	0	0
9980	Unrealized gains/losses	0	0
9985	Unusual items	0	0
9990	Current income taxes	1,999,000	1,941,000
9995	Deferred income tax provision	0	0
9999	**Net Income/Loss after Taxes and Extraordinary Items** (mandatory field)	3,069,000	3,093,000

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Revenue

GIFI	Account	Description		Amount	Prior year
8000		Trade sales of goods and services	+	98,308,000	93,250,000
8020		Sales of goods and services to related parties	+	0	0
8030		Interdivisional sales	+	0	0

Sales from resource properties

8040	*	Sales from resource properties		0	0
8041		Petroleum and natural gas sales		0	0
8042		Petroleum and natural gas sales to related parties		0	0
8043		Gas marketing		0	0
8044		Processing revenue		0	0
8045		Pipeline revenue		0	0
8046		Seismic sales		0	0
8047		Mining revenue		0	0
8048		Coal revenue		0	0
8049		Oil sands revenue		0	0
8050		Royalty income		0	0
8051		Oil and gas partnership/joint venture income/loss		0	0
8052		Mining partnership/joint venture income/loss		0	0
8053		Other production revenue		0	0
		Sales from resource properties	+	0	0
8089		**Total sales of goods and services**	=	98,308,000	93,250,000

Investment revenue

8090	*	Investment revenue		0	0
8091		Interest from foreign sources		0	0
8092		Interest from Canadian bonds and debentures		0	0
8093		Interest from Canadian mortgage loans		0	0
8094		Interest from other Canadian sources		393,000	0
8095		Dividend income		0	0
8096		Dividends from Canadian sources		0	0
8097		Dividends from foreign sources		0	0
		Investment revenue	+	393,000	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Interest income (financial institutions)

8100	*	Interest income (financial institutions)	0	0
8101		Loan interest	0	0
8102		Securities interest	0	0
8103		Deposits with banks interest	0	0
		Interest income (financial institutions)	+ 0	0

Commission revenue

8120	*	Commission revenue	0	0
8121		Commission income on real estate transactions	0	0
		Commission revenue	+ 0	0

Rental revenue

8140	*	Rental revenue	0	0
8141		Real estate rental revenue	0	0
8142		Film rental revenue	0	0
		Rental revenue	+ 0	0

8150		Vehicle leasing	+ 0	0

Fishing revenue

8160	*	Fishing revenue	0	0
8161		Fish products	0	0
8162		Other marine products	0	0
8163		Fishing grants, credits, and rebates	0	0
8164		Fishing subsidies	0	0
8165		Compensation for loss of fishing income or property	0	0
8166		Sharesman income	0	0
		Fishing revenue	+ 0	0

Realized gains/losses on disposal of assets

8210	*	Realized gains/losses on disposal of assets	0	0
8211		Realized gains/losses on sale of investments	0	0
8212		Realized gains/losses on sale of resource properties	0	0
		Realized gains/losses on disposal of assets	+ 0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

NPO amounts received

8220	NPO amounts received	0	0
8221	Membership fees	0	0
8222	Assessments	0	0
8223	Gifts	0	0
8224	Gross sales and revenues from organizational activities	0	0
	NPO amounts received	+ 0	0

Other revenue

8230	* Other revenue	1,288,000	1,542,000
8231	Foreign exchange gains/losses	0	0
8232	Income/loss of subsidiaries/affiliates	0	0
8233	Income/loss of other divisions	0	0
8234	Income/loss of joint ventures	0	0
8235	Income/loss of partnerships	0	0
8236	Realization of deferred revenues	0	0
8237	Royalty income other than resource	0	0
8238	Alberta royalty tax credits	0	0
8239	Management and administration fees	0	0
8240	Telecommunications revenue	0	0
8241	Consulting fees	0	0
8242	Subsidies and grants	0	0
8243	Sale of by-products	0	0
8244	Deposit services	0	0
8245	Credit services	0	0
8246	Card services	0	0
8247	Patronage dividends	0	0
8248	Insurance recoveries	0	0
8249	Expense recoveries	0	0
8250	Bad debt recoveries	0	0
	Other revenue	+ 1,288,000	1,542,000

8299	**Total Revenue**	= 99,989,000	94,792,000

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Cost of Sales

GIFI	Account	Description		Amount	Prior year
Opening inventory					
8300	*	Opening inventory		0	0
8301		Opening inventory - finished goods		0	0
8302		Opening inventory - raw materials		0	0
8303		Opening inventory - goods in process		0	0
		Opening inventory	+	0	0
8320		Purchases/cost of materials	+	81,658,000	75,512,000
8340		Direct wages	+	0	0
8350		Benefits on direct wages	+	0	0
8360		Trades and sub-contracts	+	0	0
8370		Production costs other than resource	+	0	0
Resource production costs					
8400	*	Resource production costs		0	0
8401		Pipeline operations		0	0
8402		Drilling		0	0
8403		Site restoration costs		0	0
8404		Gross overriding royalty		0	0
8405		Freehold royalties		0	0
8406		Other producing properties rental		0	0
8407		Prospect/geological		0	0
8408		Well operating, fuel and equipment		0	0
8409		Well abandonment and dry holes		0	0
8410		Other lease rentals		0	0
8411		Exploration expenses		0	0
8412		Development expenses		0	0
		Resource production costs	+	0	0
Crown charges					
8435	*	Crown charges		0	0
8436		Crown royalties		0	0
8437		Crown lease rentals		0	0
8438		Freehold mineral tax		0	0
8439		Mining taxes		0	0
8440		Oil sand leases		0	0
8441		Saskatchewan resource surcharge		0	0
		Crown charges	+	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Other direct costs

8450	*	Other direct costs	0	0
8451		Equipment hire and operation	0	0
8452		Log yard	0	0
8453		Forestry costs	0	0
8454		Logging road costs	0	0
8455		Stumpage costs	0	0
8456		Royalty costs	0	0
8457		Freight in and duty	0	0
8458		Inventory write down	0	0
8459		Direct cost amortization of tangible assets	0	0
8460		Direct cost amortization of natural resource assets	0	0
8461		Overhead expenses allocated to cost of sales	0	0
		Other direct costs	+ 0	0

Closing inventory

8500	*	Closing inventory	0	0
8501		Closing inventory - finished goods	0	0
8502		Closing inventory - raw materials	0	0
8503		Closing inventory - goods in process	0	0
		Closing inventory	- 0	0

8518	**Cost of Sales**	= 81,658,000	75,512,000

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Operating Expenses

GIFI	Account	Description		Amount	Prior year
		Advertising and promotion			
8520	*	Advertising and promotion		0	0
8521		Advertising		0	0
8522		Donations		0	0
8523		Meals and entertainment		0	0
8524		Promotion		0	0
		Advertising and promotion	+	0	0
8570		Amortization of intangible assets	+	0	0
8590		Bad debt expense	+	0	0
		Loan losses			
8610	*	Loan losses		0	0
8611		Provision for loan losses		0	0
		Loan losses	+	0	0
		Employee benefits			
8620	*	Employee benefits		0	0
8621		Group insurance benefits		0	0
8622		Employer's portion of employee benefits		0	0
8623		Contributions to deferred income plans		0	0
		Employee benefits	+	0	0
8650		Amortization of natural resource assets	+	0	0
8670		Amortization of tangible assets	+	3,339,000	2,921,702
		Insurance			
8690	*	Insurance		0	0
8691		Life insurance on executives		0	0
		Insurance	+	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Interest and bank charges

8710	*	Interest and bank charges	1,485,000	1,672,000
8711		Interest on short-term debt	0	0
8712		Interest on bonds and debentures	0	0
8713		Interest on mortgages	0	0
8714		Interest on long-term debt	0	0
8715		Bank charges	0	0
8716		Credit card charges	0	0
8717		Collection and credit costs	0	0
		Interest and bank charges +	1,485,000	1,672,000

Interest paid (financial institutions)

8740	*	Interest paid (financial institutions)	0	0
8741		Interest paid on deposits	0	0
8742		Interest paid on bonds and debentures	0	0
		Interest paid (financial institutions) +	0	0

Business taxes, licences, and memberships

8760	*	Business taxes, licences, and memberships	0	0
8761		Memberships	0	0
8762		Business taxes	0	0
8763		Franchise fees	0	0
8764		Government fees	0	0
		Business taxes, licences, and memberships +	0	0

8780		New Brunswick tax on large corporations +	0	0
8790		Nova Scotia tax on large corporations +	0	0

Office expenses

8810	*	Office expenses	0	0
8811		Office stationery and supplies	0	0
8812		Office utilities	0	0
8813		Data processing	0	0
		Office expenses +	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Professional fees

8860	* Professional fees	0	0
8861	Legal fees	0	0
8862	Accounting fees	0	0
8863	Consulting fees	0	0
8864	Architect fees	0	0
8865	Appraisal fees	0	0
8866	Laboratory fees	0	0
8867	Medical fees	0	0
8868	Veterinary fees	0	0
8869	Brokerage fees	0	0
8870	Transfer fees	0	0
8871	Management and administration fees	0	0
8872	Refining and assay	0	0
8873	Registrar and transfer agent fees	0	0
8874	Restructuring costs	0	0
8875	Security commission fees	0	0
8876	Training expense	0	0
8877	Studio and recording	0	0
	Professional fees	+ 0	0

Rental

8910	* Rental	0	0
8911	Real estate rental	0	0
8912	Occupancy costs	0	0
8913	Condominium fees	0	0
8914	Equipment rental	0	0
8915	Motor vehicle rentals	0	0
8916	Moorage (boat)	0	0
8917	Storage	0	0
8918	Quota rental	0	0
	Rental	+ 0	0

Repairs and maintenance

8960	* Repairs and maintenance	0	0
8961	Repairs and maintenance - buildings	0	0
8962	Repairs and maintenance - vehicles	0	0
8963	Repairs and maintenance - boats	0	0
8964	Repairs and maintenance - machinery and equipment	0	0
	Repairs and maintenance	+ 0	0

Other repairs and maintenance

9010	* Other repairs and maintenance	0	0
9011	Machine shop expense	0	0
9012	Road costs	0	0
9013	Security	0	0
9014	Garbage removal	0	0
	Other repairs and maintenance	+ 0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Salaries and wages

9060	*	Salaries and wages	0	0
9061		Commissions	0	0
9062		Crew share	0	0
9063		Bonuses	0	0
9064		Directors fees	0	0
9065		Management salaries	0	0
9066		Employee salaries	0	0
		Salaries and wages	+ 0	0

9110		**Sub-contracts**	+ 0	0

Supplies

9130	*	Supplies	0	0
9131		Small tools	0	0
9132		Shop expense	0	0
9133		Uniforms	0	0
9134		Laundry	0	0
9135		Food and catering	0	0
9136		Fishing gear	0	0
9137		Nets and traps	0	0
9138		Salt, bait, and ice	0	0
9139		Camp supplies	0	0

Computer-related expenses

9150		Computer-related expenses	0	0
9151		Upgrade	0	0
9152		Internet	0	0
		Supplies and computer-related expenses	+ 0	0

9180		**Property taxes**	+ 0	0

Travel expenses

9200	*	Travel expenses	0	0
9201		Meetings and conventions	0	0
		Travel expenses	+ 0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

— Utilities

9220	*	Utilities	0	0
9221		Electricity	0	0
9222		Water	0	0
9223		Heat	0	0
9224		Fuel costs	0	0
9225		Telephone and telecommunications	0	0
		Utilities	+ 0	0

— Other expenses

9270	*	Other expenses	8,439,000	9,652,298
9271		Cash over/short	0	0
9272		Reimbursement of parent company expense	0	0
9273		Selling expenses	0	0
9274		Shipping and warehouse expense	0	0
9275		Delivery, freight and express	0	0
9276		Warranty expenses	0	0
9277		Royalty expenses - resident	0	0
9278		Royalty expenses - non-resident	0	0
9279		Dumping charges	0	0
9280		Land fill fees	0	0
9281		Vehicle expenses	0	0
9282		Research and development	0	0
9283		Withholding taxes	0	0
9284		General and administrative expenses	0	0
9285		Interdivisional expenses	0	0
9286		Interfund transfer	0	0
		Other expenses	+ 8,439,000	9,652,298

9367	**Total Operating Expenses**	= 13,263,000	14,246,000

* Generic Item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

ENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

come Statement Summary

ese amounts will print on Schedule 125 **if only one** Schedule 125 has been completed.

otal number of schedule 125 forms: 1

GIFI	Account	Description		Amount	Prior year
9970		**Net income/loss before taxes and extraordinary items**	+	5,068,000	5,034,000
9975		**Extraordinary item(s)**	-	0	0
9976		Legal settlements	-	0	0
9980		**Unrealized gains/losses**	+	0	0
9985		**Unusual items**	-	0	0
9990		**Current income taxes**	-	1,999,000	1,941,000
9995		**Deferred income tax provision**	-	0	0
9999		**Net Income/Loss after Taxes and Extraordinary Items** (mandatory field)	=	3,069,000	3,093,000

anada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

IOTES CHECKLIST

This form is to be used by all corporations that do not use a software package to prepare financial statement information and are not eligible to use the GIFI-Short form.

Use this schedule to report a notes checklist for the corporation's financial statement information.

- For more information, see the "Guide to the General Index of Financial Information (GIFI) for Corporations" and the "T2 Corporation - Income Tax Guide."
- For the purposes of this schedule, the person who reported on or prepared the financial statement of the corporation is referred to as the "accounting practitioner."

Part 1 - Accounting practitioner information

Choose only one of the following three options, whichever applies to the accounting practitioner: 096

Chartered accountant	1	[X]
Other professional designation	2	[ ]
No professional designation	3	[ ]

Is the accounting practitioner connected* with the corporation? 097 [Y/N] [N]

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

Part 2 - Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: 098

Completed an auditor's report	1	[X]
Completed a review engagement report	2	[ ]
Compiled the financial statements along with reviewing the books	3	[ ]
Conducted a compilation engagement	4	[ ]

Part 3 - Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation? 099 [Y/N] [N]

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

– Part 4 - Other information

		Yes/No
'ere notes to the financial statements prepared?	101	[Y]
you answered "Yes" to the question at line 101, complete lines 102 to 107 below:		
Are any values presented at other than cost?	102	[N]
Has there been a change in accounting policies since the last return?	103	[Y]
Are subsequent events mentioned in the notes?	104	[N]
Is re-evaluation of asset information mentioned in the notes?	105	[N]
Is contingent liability information mentioned in the notes?	106	[Y]
Is information regarding commitments mentioned in the notes?	107	[Y]
Does the corporation have investments in joint venture(s) or partnership(s)?	108	[N]
If you answered "Yes" to the question at line 108, complete line 109 below:		
Are you filing financial statements of the joint venture(s) or partnership(s)?	109	[ ]

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements		3,069,000	A

Additions:

Provision for income taxes - current	101	1,999,000	
Amortization of tangible assets	104	3,339,000	
Non-deductible meals and entertainment expenses	121	4,634	
Reserves from financial statements - balance at the end of the year	126	7,819,342	
Subtotal of additions		13,161,976	13,161,976

Other Additions:

Miscellaneous Other Additions:

603a		0			
603b	Ontario Specified Tax Credits	1,000			
603c		0			
		1,000	293	1,000	
Subtotal of Other Additions			199	1,000	1,000
			Total Additions	500	13,162,976

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Deductions:

Capital cost allowance from Schedule 8	403	2,829,320	
Reserves from financial statements-balance at the beginning of the year	414	7,685,345	
Subtotal of Deductions		10,514,665	10,514,665

Other Deductions:

Miscellaneous Other Deductions:

700	INTEREST EXPENSE CAPITALIZED FOR ACCTG PURPOSES	390	186,772	
Subtotal of Other Deductions		499	186,772	186,772
	Total Deductions	510		10,701,437

Net income (loss) for income tax purposes 5,530,539
(enter on line 300 on the T2 return)

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

)ummary of Capital Cost Allowance

s the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	52,273,242	6,143,379	0	0	3,071,689	4	0	0	2,213,797	56,202,824
8	529,547	120,443	0	0	60,221	20	0	0	117,954	532,036
10	1,121,971	736,522	0	0	368,261	30	0	0	447,070	1,411,423
42	94,623	0	0	0	0	12	0	0	11,355	83,268
13	25,281	0	0	0	0		0	0	9,200	16,081
13	8,485	0	0	0	0		0	0	2,424	6,061
12	19,470	16,099	0	0	8,049	100	0	0	27,520	8,049
Total	54,072,619	7,016,443	0	0	3,508,220		0	0	2,829,320	58,259,742

ıawa PUC Networks Inc.
:ount/Business No.: 891725210RC0001 Year Ended: 2004-12-31
LATED AND ASSOCIATED CORPORATIONS

schedule is to be completed by a corporation having one or more of the following:
elated corporation(s)
ssociated corporation(s)

e [100]	Ctry of resi-dence [200]	Business Number (Note) [300]	Rela-tion-ship Code [400]	Number of common shares owned [500]	% of common shares owned [550]	Number of preferred shares owned [600]	% of pre-ferred shares owned [650]	Book value of capital stock [700]
AWA POWER AND UTILITIES COR		864867593RC0001	1	0	0.00	0	0.00	0
AWA PUC ENERGY SERVICES INC		857491336RC0001	3	0	0.00	0	0.00	0
AWA PUC SERVICES INC.		865799662RC0001	3	0	0.00	0	0.00	0

:e: Enter "NR" if a corporation is not registered.
lationship code:
- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

e relationship code represents the relationship that the corporation named has
the filing corporation. For example, if the corporation is the parent corporation
the filing corporation, then the relationship code is "1".

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

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TRANSACTIONS WITH SHAREHOLDERS, OFFICERS, OR EMPLOYEES

Provide the details of any transactions with shareholders, officers or employees that involve:

- payments the corporation made or amounts credited to the account of shareholders, officers, or employees, which were not part of their remuneration or reimbursement of expenses;
- assets the corporation sold to or purchased from shareholders, officers, or employees, including those for which an election was made under section 85; or
- loans or indebtedness to shareholders, officers, or employees, or persons connected with a shareholder, which were not repaid by the end of the taxation year.

Relationship code (see note)	Payments	Reimbursement (Other than reimbursement of expenses)	Loans receivable from, or debts owing to	Assets sold or purchased	Does Section 85 apply to assets sold or purchased?
100	$ 200	$ 300	$ 400	$ 500	[Y/N] 550
1	470,000	0	98,412	0	[ ]

Note: Enter the code number of the relationship that applies:
(if more than one relationship exists, enter the lowest applicable number)

1 - Shareholder
2 - Officer
3 - Employee

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ONTINUITY OF RESERVES

For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal "Income Tax Act".
File one completed copy of this schedule with the corporation's "T2 Corporation Income Tax Return".
For more information, see the "T2 Corporation Income Tax Guide".

Part 1 - Capital gains reserves

Description of property		Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
	001	$ 002	$ 003	$	$	$ 004
		0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
Totals	008	0	009 0	0	0	010 0

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Financial Statement Reserves (not deductible)

Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
Employee future benefits	7,215,569	0	228,801	0	7,444,370
Employee sick leave benefits	369,776	0	0	94,804	274,972
Environmental provision	100,000	0	0	0	100,000
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Reserves From Section 2 below	0	0	0	0	0
Totals	7,685,345	0	228,801	94,804	7,819,342

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.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Part 2 - Other reserves

Description	[X]		Balance at the beginning of the year		Transfer on amalgamation or wind-up of subsidiary	Add	Deduct		Balance at the end of the year
			$		$	$	$		$
Reserve for doubtful debts	[ ]	110	0	115	0	0	0	120	0
Reserve for undelivered goods and services not rendered	[ ]	130	0	135	0	0	0	140	0
Reserve for prepaid rent	[ ]	150	0	155	0	0	0	160	0
Reserve for December 31, 1995 income	[ ]	170	0	175	0	0	0	180	0
Reserve for refundable containers	[ ]	190	0	195	0	0	0	200	0
Reserve for unpaid amounts	[ ]	210	0	215	0	0	0	220	0
Other tax reserves	[ ]	230	0	235	0	0	0	240	0
Totals		270	0	275	0	0	0	280	0

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.

The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

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ISCELLANEOUS PAYMENTS TO RESIDENTS

This schedule must be completed by all corporations who made the following payments to residents of Canada:
royalties for which the corporation has not filed a T5 slip; research and development fees; management fees; technical assistance fees; and similar payments.
Please enter the name and address of the recipient and the amount of the payment in the applicable column. If several payments of the same type (i.e., management fees) were made to the same person, enter the total amount paid. If similar types of payments have been made, but do not fit into any of the categories, enter these amounts in the column entitled "Similar payments".

Name of recipient	Address of recipient 1 = Address 1 2 = Address 2 3 = City 4 = Province, Country, Postal Code and Zip Code or Foreign Postal Code	Royalties	Research and development fees	Management fees	Technical assistance fees	Similar payments
100	200	300	400	500	600	700
Oshawa Power and Utilitie	100 Simcoe Street South Oshawa ON L1H-7M7	0	0	470,000	0	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

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\GREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS 'O 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 purposes of 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 taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the "Income Tax Act," not to be associated for purposes of the small business deduction.

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

Column 3: Enter the code 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" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an 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 times 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 is equal to an amount in one of the following ranges, whichever applies:

- from $200,001 to $225,000, if the calendar year to which this agreement applies is 2003;
- from $225,001 to $250,000, if the calendar year to which this agreement applies is 2004; or
- from $250,001 to $300,000, if the calendar year to which this agreement applies is 2005.

If the calendar year to which this agreement applies is after 2005, ensure that the total at line A does not exceed $300,000.

Allocation of the business limit

		Year Month Day
Date filed (do not use this area)	025	
		Year
Enter the calendar year to which the agreement applies	050	2004

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

- Allocation of the business limit (cont'd)

his an amended agreement for the above-noted calendar year that
ntended to replace an agreement previously filed by any of
associated corporations listed below? ..... 075 [Y/N] [N]

1	2	3	4	5	6
ames of associated orporations	Business Number of associated corporations	Asso-ciation code	Business limit for the year (before the allocation) $	Percentage of the business limit %	Business limit allocated * $
100	200	300		350	400
shawa PUC Networks Inc.	891725210RC0001	1	250,000	100.0000	250,000
ee attached				.0000	0
			Total	100.0000	250,000 A

* The % of the annual business limit required to maximize the small business deduction is .0000%.

100.0000% of the annual business limit can be attributed to an associated corporation.

Business limit reduction under subsection 125(5.1)

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return. If the corporation is a member of an associated group*** of corporations in the current taxation year, and that taxation year:

- starts before December 21, 2002, the amount at line 415 of the T2 return is equal to the gross Part I.3 tax of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year. The gross Part I.3 tax is the amount before deducting the surtax credits, which is increased to reflect a full-year tax liability if the taxation year is less than 51 weeks; or
- starts after December 20, 2002, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada** of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year.

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

If a CCPC has more than one taxation year ending in a calendar year and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year, the business limit for the second (and subsequent) taxation year(s) will be equal to the business limit allocated for the first taxation year ending in the calendar year.

** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the "Income Tax Act."

*** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

awa PUC Networks Inc.
ount/Business No.: 891725210RC0001 Year Ended: 2004-12-31
EEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	5	6	7
of associated oration [100]	Business Number of associated corporation [200]	Asso-ciation code [300]	Business limit (before the allo-cation)	Percentage of the business limit % [350]	Business limit allocated $ [400]	Part I.3 Tax
AWA POWER AND UTILITIES COR	864867593RC0001	1	250,000	.0000	0	0
AWA PUC ENERGY SERVICES INC	857491336RC0001	1	250,000	.0000	0	0
AWA PUC SERVICES INC.	865799662RC0001	1	250,000	.0000	0	0
TALS			750,000	.0000	0	0

hedule 23-Supplementary Corporate Taxprep / Taxprep des sociétés - TP-10

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ART I.3 TAX ON LARGE CORPORATIONS

This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before deducting surtax credits (line 820 in Part 5). You should also use and file this schedule if you calculate a **gross Part I.3 tax for the purposes or unused surtax credit** (line 821 in Part 6) and a **current-year unused surtax credit** (line 850 in Part 8).

Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "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.

No Part I.3 tax is payable for a taxation year by a corporation that was:

1) a non-resident-owned investment corporation throughout the year;
2) bankrupt [as defined by subsection 128(3)] at the end of the year;
3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
4) exempt from tax under section 149 throughout the year on all of its taxable income;
5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.

- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" no later than six months from the end of the taxation year.
- This schedule may contain changes that had not yet become law at the time of printing.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. 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 amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	7,819,342
Capital stock (or members' contributions if incorporated without share capital)	103	23,063,666
Retained earnings	104	6,055,011
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	28,655,816
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	0
Any dividends declared but not paid by the corporation before the end of the year	110	0
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111	0

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Part 1 - Capital (cont'd)

Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112	0		
	Subtotal	65,593,835	65,593,835	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	0		
Any deficit deducted in computing 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	0		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123	0		
The amount of deferred unrealized foreign exchange losses at the end of the year	124	0		
	Subtotal	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		65,593,835	

Note:

Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined under lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Amounts owing to the member or to other corporations that are members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

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	0
A loan or advance to another corporation (other than a financial institution)	402	503,977
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	0
Long-term debt of a financial institution	404	0
A dividend receivable on a share of the capital stock of another corporation	405	0
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	0
An interest in a partnership (see note 1 below)	407	0
Investment allowance for the year	490	503,977

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Part 2 - Investment allowance (cont'd)

s:

Where the corporation has an interest in a partnership or tiered partnerships, consider the following:

- the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
- the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's taxation year; and
- the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.

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 by reason of paragraph 181.1(3)(d)].

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, according to subsection 181.2(6).

- Part 3 - Taxable capital

pital for the year (line 190)		65,593,835	C
duct: Investment allowance for the year (line 490)		503,977	D
xable capital for the year	500	65,089,858	
nount C minus amount D) (if negative, enter "0")			

– Part 4 - Taxable capital employed in Canada

o be completed by a corporation that was resident in Canada at any time in the year

axable capital for ıe year (line 500)	65,089,858	X	Taxable income earned in Canada / Taxable income	610	5,530,539 / 5,530,539 =	**Taxable capital employed in Canada**	690	65,089,858

lotes:

1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2) Where a corporation's taxable income for a taxation 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.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

– Part 4 - Taxable capital employed in Canada (cont'd)

o be completed by a corporation that was a non-resident of Canada throughout the year and carried on business through a permanent establishment in Canada

otal of all amounts each of which is the carrying value at the end of the year f an asset of the corporation used in the year or held in the year, in the course f carrying on any business it carried on during the year through a permanent stablishment in Canada	701	0	
educt the following amounts:			
Corporation's indebtedness at the end of the year [other than indebtedness lescribed in any of paragraphs 181.2(3)(c) to (f)] that may reasonably e regarded as relating to a business it carried on during the year hrough a permanent establishment in Canada	711	0	
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 it carried on during the year through a permanent establishment in Canada	712	0	
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 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	0	
Total deductions (add lines 711, 712, and 713)		0	0 E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")	790		0

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 of gross Part I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)							65,089,858	
Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36)						801	49,270,000	
Excess of taxable capital employed in Canada over capital deduction						811	15,819,858	
Year	Line 811		Number of days		Number of days in the taxation year			
Before 2004	15,819,858	x	(0	/	366)	x .2250% =	0	F
2004	15,819,858	x	(366	/	366)	x .2000% =	31,640	G
2005	15,819,858	x	(0	/	366)	x .1750% =	0	H
2006	15,819,858	x	(0	/	366)	x .1250% =	0	I
2007	15,819,858	x	(0	/	366)	x .0625% =	0	J
Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2007.						Subtotal (add amounts F to J)	31,640	K

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:

Amount K	31,640	x	Number of days in the year / 365	=		0 L
Gross Part I.3 tax (amount K or L, whichever applies)					820	31,640

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

– Part 6 - Calculation of gross Part I.3 tax for purposes of the unused surtax credit

uxable capital employed in Canada (line 690 or 790, whichever applies)		65,089,858	M
educt: Capital deduction claimed for the year (1/5 of line 801 if the taxation year end after 2003)		9,854,000	N
Excess (amount M minus amount N) (if negative, enter "0")		55,235,858	O

mount O 55,235,858 x .2250% =..... 124,281 P

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 ax for purposes of the unused surtax credit as follows:

Amount P 124,281 x Number of days in the year 365 / 365 =..... 0 Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies) 821 124,281

— Part 7 - Calculation of current-year surtax credit available

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, enter amount **a** or **b** at line R, whichever is less:

a) line 600 from the T2 return	0	**a**	
b) line 700 from the T2 return	0	**b**	0 R

In any other case, enter amount **c** or **d** at line S, whichever is less:

c) line 600 from the T2 return 61,942 x (line 690 of this schedule 65,089,858 / line 500 of this schedule 65,089,858) = 61,942 **c**

d) line 700 from the T2 return ..... 1,223,355 **d** 61,942 S

Current-year surtax credit available (amount R or S, whichever applies) 830 61,942

— Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		61,942
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		124,281
Current-year unused surtax credit (if negative, enter "0")	850	0

Enter this amount at line 600 on Schedule 37.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

– Part 9 - Calculation of net Part I.3 tax payable

ross Part I.3 tax (line 820)			31,640 T
educt:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	31,640	
Unused surtax credit form previous years applied (amount from line 320 on Schedule 37)	862	0	
Subtotal (cannot be more than amount on line 820)		31,640	31,640 U
Net Part I.3 tax payable (amount T minus amount U)	870		0

Enter this amount at line 704 of the T2 return.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Loans

Due to City of Oshawa	23,064,000.00
Customer deposits	4,520,399.00
Other (Development Fund)	1,057,551.00
Deferred revenue	13,866.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	28,655,816.00

	0.00
	13,866.00
Securities Held for Deposit	490,111.00
Due from related parties	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	503,977.00

Non-deductible reserves

Employee future benefits	7,444,370.00
Employee sick leave benefits	274,972.00
Environmental provision	100,000.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	7,819,342.00

nada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

GREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 or $50,000,000 among the members of the related group.
Do not file this agreement if no members of the related group have to pay Part I.3 tax.

re any members of the related group liable to pay Part I.3 tax? ..... [Y/N] [Y]

In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.

- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.

- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

- Attach additional schedules if space for agreement is not sufficient.

Agreement

		Year Month Day
Date filed (do not use this area)	010	
Is this an amended agreement?	020	[Y/N] [N]
Calendar year to which the agreement applies	030	Year 2004

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member that is exempt from Part I.3 tax under subsection 181.1(3) does not have to be included.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year $	Taxation year end to which this agreement applies (Note 2)
200	300	400	500
Oshawa PUC Networks Inc.	891725210RC0001	49,270,000	
See attached		730,000	
		50,000,000	
Total (Before 2004 must not exceed $10,000,000 After 2003 must not exceed $50,000,000)			

Note 1: If a corporation is not registered, enter "NR."

Note 2: Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

ıawa PUC Networks Inc.
:ount/Business No.: 891725210RC0001 Year Ended: 2004-12-31
REEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

lembers of a related group of corporations should use this schedule to allocate the capital leduction of $10,000,000 or $50,000,000 among the members of the related group. :n accordance with subsection 181.5(7) of the federal "Income Tax Act," a Canadian-controlled ›rivate corporation is not considered to be related to another corporation for purposes of :he capital deduction unless it is also associated with that corporation.

es of all corporations ch are members of the ated group [200]	Business Number **(Note 1)** [300]	Allocation of capital deduction for the year [400]	Taxation year end to which this agreement applies **(Note 2)** [500]
AWA POWER AND UTILITIES COR	864867593RC0001	0	
AWA PUC ENERGY SERVICES INC	857491336RC0001	1,500	
AWA PUC SERVICES INC.	865799662RC0001	728,500	
)TAL		730,000	

te 1: If a corporation is not registered, enter "NR."

te 2: Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares
	(note 1)	(note 2)		
100	200	300	400	500
Oshawa Power and Utilities Corporation	864867593RC0001		100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Schedule of Instalment Remittances

Name of Corporation Contact: ..... Michael Chase
Telephone Number: 905-723-4626

Effective Interest Date	Description (Instalment Remittance, Split Payment, Assessed Credit)	Amount of Credit
	Tax payment to Ministry of Finance	1,608,000
	less: amount reported on ONT CT23	-384,645
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
	Total amount of instalments claimed (A)	1,223,355
	Total instalments credited to the taxation year per T9 (B)	1,223,355

TRANSFER

Account Number	Taxation Year End	Amount	Effective Interest Date	Description
From:		0		
To:				

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

The **Annual Return** (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17, together with the applicable schedules on pages 18-21. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2).

Ministry Use **CLIENT COPY**

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No **Page 1 of 24**

Corporation's Legal Name *(including punctuation)*

Oshawa PUC Networks Inc. PILs

Mailing Address

100 Simcoe Street South

Oshawa
ON CA L1H-7M7

Has the mailing address changed since last filed CT23 Return? [ ] Yes | Date of Change (year month day)

Registered/Head Office Address

100 Simcoe Street South

Oshawa
ON CA L1H-7M7

Location of Books and Records

100 Simcoe Street South

Oshawa
ON CA L1H-7M7

Name of person to contact regarding this CT23 Return: Michael Chase | Telephone No.: 905-723-4626 | Fax No.: 905-723-3248

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)

ON CA -

Former Corporation Name *(Extra-Provincial Corporations only)* [X] ***Not Applicable*** (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 0

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please [X] this box. Schedule(s) A and K are not required (MCBS). [X] **No Change**

Ontario Corporations Tax Account No. (MOF): 1800157

This CT23 Return covers the Taxation Year
Start (year month day): 2004-01-01
End (year month day): 2004-12-31

Date of Incorporation or Amalgamation (year month day): 2000-11-01

Ontario Corporation No. (MCBS):

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter: 891725210RC0001

Jurisdiction Incorporated: Ontario

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced (year month day):
Ceased (year month day):
[X] ***Not Applicable***

Preferred Language/*Langue de préférence*
[X] English *anglais* [ ] French *français*

Ministry use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

Michael Chase

Title: [ ] D Director [X] O Officer [ ] P Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

OPUCN Response
Board Staff Interrogatory
EB-2007-0710

orporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End

ıshawa PUC Networks Inc. PILs | 1800157 | 2004-12-31

;T23 Corporations Tax Return

lentification continued (for CT23 filers only)

ype of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1 1 [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent) 100 %

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)

if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)

if applicable, enter

Specify major business activity

Electricity Distribution

2 1 [ ] Family Farm Corporation s.1 (2)

2 [ ] Family Fishing Corporation s.1 (2)

3 [ ] Mortgage Investment Corporation s.47

4 [ ] Credit Union s.51

5 [ ] Bank Mortgage Subsidiary s.61 (4)

6 [ ] Bank s.1 (2)

7 [ ] Loan and Trust Corporation s.61 (4)

8 [ ] Non-resident Corporation s.2(2)(a) or (b)

9 [ ] Non-resident Corporation s.2(2)(c)

10 [ ] Mutual Fund Corporation s.48

11 [ ] Non-resident owned investment Corporation s.49

12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

14 [ ] Bare Trustee Corporation

15 [ ] Branch of Non-resident s.63(1)

16 [ ] Financial institution prescribed by Regulation only

17 [ ] Investment Dealer

18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale

19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either

20 [ ] Producer and seller of steam for uses other than for the generation of electricity

21 [ ] Insurance Exchange s.74.4

22 [ ] Farm Feeder Finance Co-operative Corporation

23 [ ] Professional Corporation (incorporated professionals only)

Please "X" box(es) if applicable:

[ ] First Year of Filing

[ ] Amended Return

[ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required

[ ] Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)

[ ] Final Taxation Year before Amalgamation

[ ] Floating Fiscal Year End

[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[ ] Acquisition of Control fed s.249(4)

Date Control was acquired

year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[X]	[ ]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[ ]	[X]
a Specified Refundable Tax Credit?	[ ]	[X]
Are you a Member of a Partnership or Joint Venture?	[ ]	[X]

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name: Oshawa PUC Networks Inc. — PILs

Ontario Corporations Tax Account No. (MOF): 1800157 — Taxation Year End: 2004-12-31

DOLLARS ONLY

ncome Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that ortion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

let Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	5,530,539.
Subtract: Charitable donations	–	1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–	2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3	–	3	0.
Subtract: Ontario political contributions *(Attach schedule 2A)* (Int.B. 3002)	–	4	0.
Subtract: Federal Part VI.1 tax 0. X 9/3	–	5	0.
Subtract: Prior years' losses applied – Non-capital losses	–	From 704	0.
Net capital losses From 715 (page 16) 0. X inclusion rate 50.000000%	–	714	0.
Farm losses	–	From 724	0.
Restricted farm losses	–	From 734	0.
Limited partnership losses	–	From 754	0.
	=	10	5,530,539.
Taxable Income (Non-capital loss)			
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	5,530,539.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) 5,530,539. x 30 100.0000% (Ontario Allocation) x 12.5000% x [Days after Sept. 30, 2001 and before Jan. 1, 2004 33: 0 ÷ Total Days 73: 366] = + 29: 0.

From 10 (or 20 if applicable) 5,530,539. x 30 100.0000% (Ontario Allocation) x 14.0000% x [Days after Dec. 31, 2003 34: 366 ÷ Total Days 73: 366] = + 32: 774,275.

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40: 774,275.

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [X] Yes [ ] No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	5,530,539.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	5,530,539.	
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	0.	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53	0.	
	=	5,530,539.	54: 5,530,539.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55	250,000.

Ontario Business Limit Calculation

280,000 x [Days after Sept. 30, 2001 and before Jan. 1, 2003 28: 0 ÷ ** 366] = + 43: 0.

320,000 x [Days after Dec. 31, 2002 and before Jan. 1, 2004 31: 0 ÷ ** 366] = + 46: 0.

400,000 x [Days after Dec. 31, 2003 34: 366 ÷ ** 366] = + 47: 400,000.

Business Limit for Ontario purposes 43 + 46 + 47 = 44: 400,000. x *** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated. 48: 100.0000% = 45: 400,000.

Income eligible for the IDSBC From 30: 100.0000% (**** Ontario Allocation) x 56: 400,000. = 60: 400,000. Least of 50, 54 or 45

* **Note:** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** **Note:** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** **Note:** *For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.*

**** **Note:** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Board Staff Interrogatories
EB-2007-0710
Exhibit C1 Tab 1 Schedule 3
Page 635

Corporation's Legal Name: Oshawa PUC Networks Inc. PILs

Ontario Corporations Tax Account No. (MOF): 1800157 Taxation Year End: 2004-12-31

DOLLARS ONLY

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

6.50%	x	Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 0	÷	Total Days [73] 366	= +	[79]	.0000
7.00%	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0	÷	Total Days [73] 366	= +	[89]	.0000
8.50%	x	Days after Dec. 31, 2003 [34] 366	÷	Total Days [73] 366	= +	[90]	8.5000

IDSBC Rate for Taxation Year [79] + [89] + [90] = [78] 8.5000

IDSBC Claim From [60] 400,000. x From [78] 8.5000% = [70] 34,000.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in [114] below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

*** Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** Taxable Income of the corporation From [10] (or [20] if applicable) + [80] 5,530,539.

If you are a member of an associated group (X) [81] X (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)
See attached			+ [82] 0.
			+ [83] .
			+ [84] .
			= [85] 5,530,539.

Aggregate Taxable Income [80] + [82] + [83] + [84], etc.

Number of Days in Taxation Year

Subtract: 280,000	x	Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 0	÷	Total Days [73] 366	= +	[113]	0.
320,000	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0	÷	Total Days [73] 366	= +	[115]	0.
400,000	x	Days after Dec. 31, 2003 [34] 366	÷	Total Days [73] 366	= +	[116]	400,000.

[113] + [115] + [116] = 400,000. − [114] 400,000.

(If negative, enter nil) = [86] 5,130,539.

Calculation of Specified Rate for Surtax

Number of Days in Taxation Year

4.3330%	x	Days after Sept. 30, 2001 and before Jan. 1, 2003 [28] 0	÷	Total Days [73] 366	= +	[95]	.0000
4.6670%	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] 0	÷	Total Days [73] 366	= +	[96]	.0000
4.6670%	x	Days after Dec. 31, 2003 [34] 366	÷	Total Days [73] 366	= +	[97]	4.6670

Specified rate of surtax for Taxation Year [95] + [96] + [97] = [94] 4.6670

From [86] 5,130,539. x From [94] 4.6670% = [87] 239,442.

From [87] 239,442. x From [60] 400,000. ÷ From [114] 400,000. = [88] 239,442.

Surtax Lesser of [70] or [88] = [100] 34,000

continued on Page 6

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name: Oshawa PUC Networks Inc. PILs

Ontario Corporations Tax Account No. (MOF): 1800157 Taxation Year End: 2004-12-31

CT23 Page 6 of 24

DOLLARS ONLY

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits ..... + 120 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 400,000.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 34,000. ÷ From 30 100.0000 % * Ontario Allocation ÷ From 78 8.5000 % = 121 400,000.

Lesser of 56 or 121 ..... + 122 400,000.

120 – 56 + 122 ..... = 130 0.

Taxable Income ..... + From 10 5,530,539.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 400,000.

Add: Adjustments for Surtax on Canadian-controlled private corporations ..... + From 122 400,000.

Subtract: Taxable Income 10 5,530,539. x Allocation % to jurisdictions outside Canada .0000 % ..... – 140 0.

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses ..... – 141 0.

10 – 56 + 122 – 140 – 141 ..... = 142 5,530,539.

Claim

Number of Days in Taxation Year

143 0. Lesser of 130 or 142 x From 30 100.0000 % * Ontario Allocation x 1.5000 % x (Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 0 ÷ Total Days: 73 366) =+ 154 0.

143 0. Lesser of 130 or 142 x From 30 100.0000 % * Ontario Allocation x 2.0000 % x (Days after Dec. 31, 2003: 34 0 ÷ Total Days: 73 366) =+ 156 0.

M&P claim for taxation year 154 + 156 ..... = 160 0.

* ***Note:*** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule).* ..... 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 ..... = 190 774,275.

continued on Page 7

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name: Oshawa PUC Networks Inc. PILs | Ontario Corporations Tax Account No. (MOF): 1800157 | Taxation Year End: 2004-12-31

DOLLARS ONLY

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* ..... + 191 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F ..... + 192 1,000.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) **or** Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
*(Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* ..... + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed post secondary graduate.
No. of Graduates From 6596 — 194 0
Eligible Credit From 6598 Summary Schedule G ..... + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* ..... + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.) ..... + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* ..... + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
*(Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* ..... + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation
(Attach original Claim/Certification Form.) ..... + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* ..... + 201 0.

Other (specify) _____ ..... + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 1,000.

Specified Tax Credits ***Applied to reduce Income Tax*** ..... = 225 1,000.

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* ..... = 230 773,275.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 17.***

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

orporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End | **CT23 Page 8 of 24**

shawa PUC Networks Inc. PILs | 1800157 | 2004-12-31 | *DOLLARS ONLY*

orporate Minimum Tax (CMT)

etermination of Applicability

pplies if *either* Total Assets 249 exceeds $5,000,000 *or* Total Revenue 250 exceeds $10,000,000.
These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

hort Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal eriod of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

ssociated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or efore the date of the claiming corporation's taxation year end.

* Total Assets of the corporation	+ 240	78,382,000.	
* Total Revenue of the corporation			+ 241 99,989,000.

If you are a member of an associated group (x) 242 X (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets	* Total Revenue
See attached			+ 243 .	+ 244 .
			+ 245 .	+ 246 .
			+ 247 .	+ 248 .
Aggregate Total Assets 240 + 243 + 245 + 247 , etc.			= 249 78,382,000.	
Aggregate Total Revenue 241 + 244 + 246 + 248 , etc.				= 250 99,989,000.

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on Pages 18, 19 and 20 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on Page 18.)*

Gross CMT Payable ..... CMT Base From 2135 5,068,000. (If negative, enter zero) X From 30 100.0000 % (Ontario Allocation) X 4.0000% = 276 202,720.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)* – 277 0.

Subtract: Income Tax – From 190 774,275.

Net CMT Payable (If negative, enter Nil on Page 17.) = 280 0.

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from ***Page 7*** to ***Income tax Summary, on Page 17.***

If 280 is less than zero and you have a CMT credit carryover, complete A & B below.

If 280 is greater than or equal to zero, transfer 230 to ***Page 17*** and transfer 280 to ***Page 17,*** and to ***Schedule D: Continuity of CMT Credit Carryovers, on Page 20.***

CMT Credit Carryover available From 2307 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) + From 190 774,275.

Gross CMT Payable + From 276 202,720.

Subtract: Foreign Tax Credit for CMT purposes – From 277 0.

If 276 – 277 is negative, enter NIL in 290 = 202,720. – 290 202,720.

Income Tax eligible for CMT Credit = 300 571,555.

B. Income Tax (after deduction of specified credits) + From 230 773,275.

Subtract: CMT credit used to reduce income taxes – 310 0.

Income Tax = 320 773,275.

Transfer to page 17

If A & B apply, 310 ***cannot exceed the lesser of*** 230, 300 ***and your CMT credit carryover available*** 2307.

If only B applies, 310 ***cannot exceed the lesser of*** 230 ***and your CMT credit carryover available*** 2307.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name		Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	PILs	1800157	2004-12-31

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 ***and*** 430 ***on page 10 then proceed to page 13.***
If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 ***and*** 430 ***are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in*** 480 ***and*** 430 ***are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in*** 550 ***on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.***

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	+	350	23,063,666.
Retained earnings (if deficit, deduct) (Int.B. 3012)	±	351	6,055,011.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+	352	0.
Loans and advances *(Attach schedule)* (Int.B. 3013)	+	353	28,655,816.
Bank loans (Int.B. 3013)	+	354	0.
Bankers acceptances (Int.B. 3013)	+	355	0.
Bonds and debentures payable (Int.B. 3013)	+	356	0.
Mortgages payable (Int.B. 3013)	+	357	0.
Lien notes payable (Int.B. 3013)	+	358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+	359	7,819,342.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+	360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	+	361	0.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	+	362	0.
Subtotal	=	370	65,593,835.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	−	371	-17,800,483.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	−	372	0.
Total Paid-up Capital	=	380	83,394,318.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	−	381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	−	382	0.
Net Paid-up Capital	=	390	83,394,318.

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	0.
Mortgages due from other corporations	+	403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	0.
Loans and advances to unrelated corporations	+	405	13,866.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	490,111.
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	0.
Total Eligible Investments	=	410	503,977.

continued on Page 10

OPUCN Response
Board Staff Interrogatories
EB-2007-0710

UCC vs NBV

UCC per Ont Sch. 8		-58,259,742.00
NBV per F/S		42,157,643.00
less: land		-98,896.00
less: WIP		-1,489,488.00
less: ARO		-110,000.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-17,800,483.00

Non-deductible reserves

Employee future benefits	7,444,370.00
Employee sick leave benefits	274,972.00
Environmental provision	100,000.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	7,819,342.00

Corporation's Legal Name: Oshawa PUC Networks Inc. PILs | Ontario Corporations Tax Account No. (MOF): 1800157 | Taxation Year End: 2004-12-31 | **CT23 Page 10 of 24** | *DOLLARS ONLY*

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	+ 420	78,382,000.
Mortgages or other liabilities deducted from assets	+ 421	0.
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+ 422	0.
Subtract: Investment in partnership(s)/joint venture(s)	− 423	0.
Total Assets as adjusted	= 430	78,382,000.
Amounts in 360 and 361 (if deducted from assets)	+ 440	0.
Subtract: Amounts in 371, 372 and 381	− 441	-17,800,483.
Subtract: Appraisal surplus if booked	− 442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	± 443	0.
Total Assets	= 450	96,182,483.
Investment Allowance (410 ÷ 450) x 390 — **Not to exceed** 410	= 460	436,970.
Taxable Capital 390 − 460	= 470	82,957,348.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	99,989,000.
Total Assets (as adjusted) From 430		78,382,000.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(Financial Institutions use calculations on page 13.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.**

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11, and if applicable, complete** Section D or Section E on page 12. **Note: if the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1. If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

B2. If taxable capital, 470 on page 10, is **$5,000,000 or less**, enter NIL in 550 on page 12 and complete the return from that point.

B3. If taxable capital, 470 on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount From 523 to 543 on page 12, and complete the return from that point.

+ From 470	0.						
−	0.						
= 471	0.	X From 30	100.0000%	X .3000% X	555 366 / ** 366	= + 523	0.
			Ontario Allocation		Days in taxation year (366 if leap year)		Transfer to 543 on page 12 and complete the return from that point

*** If floating taxation year, refer to Guide.***

continued on Page 11

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name: Oshawa PUC Networks Inc. PILs | Ontario Corporations Tax Account No. (MOF): 1800157 | Taxation Year End: 2004-12-31 | **CT23 Page 11 of 24** | *DOLLARS ONLY*

Capital Tax Calculation *continued from Page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (exluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. [ ] 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital 470 on page 10 is $5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

If taxable capital 470 on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in 542 Section D, and complete Section D and the return from that point.

C2. [X] 524 (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do NOT complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 ..... + From 470 0.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
			+ 531 0.
			+ 532 .
			+ 533 .
Aggregate Taxable Capital 470 + 531 + 532 + 533, etc.			= 540 0.

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in 523 in section D on page 12, as applicable.

If 540 above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From 470 0. ÷ From 540 0. x 0 ..... = 541 0.
Transfer to 542 *in Section D on page 12*

S.s.69(2.1) Election Filed

[X] 591 (X if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return.***
Proceed to **Section E** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, [540] *on page 11, exceeds $5,000,000.*

Complete the following calculation and transfer the amount From [523] to [543], and complete the return from that point.

+ From [470]	0.									
– [542]	0.									
= [471]	0.	x From [30]	100.0000% Ontario Allocation	x	.3000%	x [555]	Days in taxation year 366 ** 366 (366 if leap year)	.....	= + [523]	Total Capital Tax for the taxation year 0. Transfer to [543] and complete the return from that point

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From [470]	82,957,348.	x From [30]	100.0000% Ontario Allocation	x	.3000%	.....			= + [561]	248,872.
– Capital tax deduction From [995] relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form									– From [995]	12,637.
									= [562]	236,235.
Capital Tax ..... [562]	236,235.	x				[555]	Days in taxation year 366 ** 366 (366 if leap year)	.....	= [563]	236,235. Transfer to [543] and complete the return from that point

***** If floating taxation year, refer to Guide.***

Capital Tax *before application of specified credits*	= [543]	236,235.
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	– [546]	0.
Capital Tax [543] – [546] *(amount cannot be negative)*	= [550]	236,235. Transfer to Page 17

continued on Page 13

EB-2007-0710
Board Staff Interrogatories
OPUCN Response
Page 643

apital Tax *continued from Page 12*

alculation of Capital Tax for Financial Institutions

1. Credit Unions only

or taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

.2. Other than Credit Unions

Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. x 0.6% X From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [569] 0.

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year

[570] 0. x [571] 0.00% X From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [574] 0.

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) [569] + [574] ..... = [575] 0.

*** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – [585] 0.

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions [575] – [585] ..... = [586] 0.

Transfer to [543] on Page12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers. ..... – [589] 0.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... = [590] 0.

Premium Tax [588] – [589] .....

Transfer to page 17

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name		Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 14 of 24
Oshawa PUC Networks Inc.	PILs	1800157	2004-12-31	DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... ± 600 5,530,539.
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	2,829,320.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	7,685,345.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	7,819,342.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days		
612	0. x 5 ÷ 12.5000 x	33	0 ÷	73 366	= + 633	0.
612	0. x 5 ÷ 14.0000 x	34 366	÷	73 366	= + 634	0.

Total add-back amount for Management fees, etc. 633 + 634 .... = 0.	+ 613	0.
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161	+ 615	0.
Add any negative amount in 473 from Ont. CT23 Schedule 161	+ 616	0.
Federal allowable business investment loss	+ 620	0.
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	+ 614	0.
Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614	= 18,334,007.	640 18,334,007.

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	2,829,320.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	7,685,345.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	7,819,342.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) ***(Applies** only to electrical generating corporations.)*	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	18,334,007.

Transfer to Page 15

continued on Page 15

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name: Oshawa PUC Networks Inc: PILs

Ontario Corporations Tax Account No. (MOF): 1800157 | Taxation Year End: 2004-12-31

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Continued from Page 14

Net income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From ± 600 5,530,539.

Total of Additions ..... From = 640 18,334,007.

Sub Total of deductions on page 14 ..... From = 681 18,334,007.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

[From 662 0. x (Gross-up of CCA 100 / From 30 Ontario Allocation 100.0000)] – From 662 0. = 663 0.

Workplace Child Care Tax Incentive

Qualifying expenditures: [665 0. x 30.00% x (100 / From 30 Ontario Allocation 100.0000)] = 666 0.

Workplace Accessibility Tax Incentive

Qualifying expenditures: [667 0. x 100.00% x (100 / From 30 Ontario Allocation 100.0000)] = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI) (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 0. x 30.00% x (100 / From 30 Ontario Allocation 100.0000)] = 671 0.

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: [672 0. x 15.00% x (100 / From 30 Ontario Allocation 100.0000)] = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Ontario Scientific Research Expenses claimed in year in from Ont. CT23 Schedule 161 477 ..... + 679 0.

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) ..... + 677 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 .. = 18,334,007. 680 18,334,007.

Net income (loss) for Ontario Purposes 600 + 640 – 680 ..... = 690 5,530,539.

Transfer to Page 4

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name: shawa PUC Networks Inc. PILs

Ontario corporations Tax Account No. (MOF): 1800157 Taxation Year End: 2004-12-31

DOLLARS ONLY

ontinuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
alance at Beginning of Year	700 (2) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
dd: Current year's losses (7)	701 0	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
ubtotal	703 0	713 0	723 0	733 0	743 0	753 0
ubtract: Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 0	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1996-09-30				850 0	870 0
801 8th preceding taxation year 1997-09-30				851 0	871 0
802 7th preceding taxation year 1998-09-30				852 0	872 0
803 6th preceding taxation year 1999-09-30	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 2000-09-30	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 2001-09-30	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2001-12-31	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2002-12-31	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2003-12-31	825 0	835 0	845 0	858 0	878 0
809 Current taxation year 2004-12-31	826 0	836 0	846 0	859 0	879 0
Total	829 0	839 0	849 0	869 0	889 0

CRA/CCN Response
Board Staff Interrogatories
EB-2007-0710

Corporation's Legal Name: Oshawa PUC Networks Inc. PILs

Ontario Corporations Tax Account No. (MOF): 1800157 Taxation Year End: 2004-12-31

DOLLARS ONLY

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Ministry of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Predecessor Ontario Corporation's Tax Account No. (MOF)	Taxation Year Ending (year month day)	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910 0	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income						
i) 3rd preceding	901		911 0	921 0	931 0	941 0
ii) 2nd preceding	902		912 0	922 0	932 0	942 0
iii) 1st preceding	903		913 0	923 0	933 0	943 0
Total loss to be carried back			From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward			919 0	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320		773,275.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		236,235.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		1,009,510.
Subtract: Payments	– 960		384,866.
Capital Gains Refund (s.48)	– 965		0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	– 985		0.
Specified Tax Credits *(Refer to Guide)*	– 955		0.
Other (specify) _____	–		0.
Balance	= 970		624,644.
If payment due Enclosed *	990		624,644.
If overpayment: Refund *(Refer to Guide)*	= 975		0.
Apply to (year month day)	980		0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

Michael Chase

Title

Controller

Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

EB-2007-0710
Board Staff Interrogatories
Page 650

UCC vs NBV

UCC per Ont Sch. 8		-58,259,742.00
NBV per F/S		42,157,643.00
less: land		-98,896.00
less: WIP		-1,489,488.00
less: ARO		-110,000.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-17,800,483.00

Hawa PUC Networks Inc. **Year Ended:** **PILs Attached Sch. 2004-12-31**
Corp. Tax Acct. No. : 1800157

Non-deductible reserves

Employee future benefits	7,444,370.00
Employee sick leave benefits	274,972.00
Environmental provision	100,000.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	7,819,342.00

Corporation's Legal Name: Oshawa PUC Networks Inc. PILs

Ontario Corporations Tax Account No. (MOF): 1800157 Taxation Year End: 2004-12-31

CT23 Schedule A
Page 18 of 24

DOLLARS ONLY

Corporate Minimum Tax - Schedule A:
Calculation of CMT Base

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 3,069,000.

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes	+ 2101	0.
Provision for deferred income taxes (credits) / benefit of future income taxes	+ 2102	0.
Equity income from corporations	+ 2103	0.
Share of partnership(s)/joint venture(s) income	+ 2104	0.
Dividends received/receivable deductible under fed.s.112	+ 2105	0.
Dividends received/receivable deductible under fed.s.113	+ 2106	0.
Dividends received/receivable deductible under fed.s.83(2)	+ 2107	0.
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) — 0. X 9/3	+ 2108	0.
Subtotal	=	0. − 2109 0.

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes	+ 2110	1,999,000.
Provision for deferred income taxes (debits) / cost of future income taxes	+ 2111	0.
Equity losses from corporations	+ 2112	0.
Share of partnership(s)/joint venture(s) losses	+ 2113	0.
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+ 2114	0.
Subtotal	=	1,999,000. + 2115 1,999,000.

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	+ 2116	0. or	− 2117	0.
** Fed.s.85.1	+ 2118	0. or	− 2119	0.
** Fed.s.97	+ 2120	0. or	− 2121	0.
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	+ 2122	0. or	− 2123	0.
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	+ 2124	0. or	− 2125	0.
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	+ 2126	0. or	− 2127	0.
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income			− 2150	0.

Subtotal (Additions) = 0. + 2128 0.

Subtotal (Subtractions) = 0. − 2129 0.

** Other adjustments ± 2130 0.

Subtotal ± 2100 − 2109 + 2115 + 2128 − 2129 ± 2130 = 2131 5,068,000.

** Share of partnership(s)/joint venture(s) **adjusted** net income/loss ± 2132 0.

Adjusted net income (loss) (if loss, transfer to 2202 in ***Schedule B: Continuity of CMT Losses Carried Forward, Page 19.***) = 2133 5,068,000.

Deduct: * CMT losses: pre-1994 Loss + From 2210 0.

* CMT losses: other eligible losses + 2211 0.

= 0. − 2134 0.

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this tax return.*

CMT Base = 2135 5,068,000.

Transfer to CMT Base on Page 8

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name: Oshawa PUC Networks Inc. PILs

Ontario Corporations Tax Account No. (MOF): 1800157 Taxation Year End: 2004-12-31

DOLLARS ONLY

Corporate Minimum Tax (CMT)

Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)					+ 2201	0.
Add: Current year's losses			+ 2202	0.		
Losses from predecessor corporations on amalgamation (3)			+ 2203	0.		
Losses from predecessor corporations on wind-up (3)			+ 2204	0.		
Amalgamation (x) 2205 ☐ Yes Wind-up (x) 2206 ☐ Yes			=	0.	+ 2207	0.
Subtotal					± 2208	0.
Adjustments (attach schedule)					= 2209	0.
CMT losses available 2201 + 2207 ± 2208						
Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income			+ 2210	0.		
Other eligible losses utilized during the year to reduce adjusted net income (4)			+ 2211	0.		
Losses expired during the year			+ 2212	0.		
Subtotal			=	0.	– 2213	0.
Balances at End of Year (5) 2209 – 2213					= 2214	0.

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1996-09-30	2260 0	2280 0
2241	8th preceding taxation year 1997-09-30	2261 0	2281 0
2242	7th preceding taxation year 1998-09-30	2262 0	2282 0
2243	6th preceding taxation year 1999-09-30	2263 0	2283 0
2244	5th preceding taxation year 2000-09-30	2264 0	2284 0
2245	4th preceding taxation year 2001-09-30	2265 0	2285 0
2246	3rd preceding taxation year 2001-12-31	2266 0	2286 0
2247	2nd preceding taxation year 2002-12-31	2267 0	2287 0
2248	1st preceding taxation year 2003-12-31	2268 0	2288 0
2249	Current taxation year 2004-12-31	2269 0	2289 0
Totals		2270 0	2290 0

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name: Oshawa PUC Networks Inc. PILs

Ontario Corporations Tax Account No. (MOF): 1800157 Taxation Year End: 2004-12-31

CT23 Schedule D & E

DOLLARS ONLY

Corporate Minimum Tax (CMT)

Schedule D: Continuity of CMT Credit Carryovers

Balance at Beginning of year (1) ..... + 2301 **0.**

Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL) ..... + From 280 **0.**

CMT Credit Carryovers from predecessor corporations (2) ..... + 2302 **0.**

Amalgamation (x) 2303 ☐ Yes Wind-up (x) 2304 ☐ Yes = **0.** + 2305 **0.**

Subtotal ..... ± 2306 **0.**

Adjustments *(Attach schedule)* ..... = 2307 **0.**

Transfer to Page 8

CMT credit carryover available 2301 + 2305 ± 2306 .....

Subtract: CMT Credit utilized during the year to reduce income tax (Page 8) + From 310 **0.**

CMT Credit expired during the year ..... + 2308 **0.**

Subtotal ..... = **0.** − 2309 **0.**

Balance at End of Year (3) 2307 − 2309 ..... = 2310 **0.**

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in 2310 must equal sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	9th preceding taxation year 1996-09-30	2360 **0**	2380 **0**
2341	8th preceding taxation year 1997-09-30	2361 **0**	2381 **0**
2342	7th preceding taxation year 1998-09-30	2362 **0**	2382 **0**
2343	6th preceding taxation year 1999-09-30	2363 **0**	2383 **0**
2344	5th preceding taxation year 2000-09-30	2364 **0**	2384 **0**
2345	4th preceding taxation year 2001-09-30	2365 **0**	2385 **0**
2346	3rd preceding taxation year 2001-12-31	2366 **0**	2386 **0**
2347	2nd preceding taxation year 2002-12-31	2367 **0**	2387 **0**
2348	1st preceding taxation year 2003-12-31	2368 **0**	2388 **0**
2349	Current taxation year 2004-12-31	2369 **0**	2389 **0**
Totals		2370 **0**	2390 **0**

The sum of amounts 2370 + 2390 ***must equal amount in*** 2310.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name: Oshawa PUC Networks Inc. PILs

Ontario Corporations Tax Account No. (MOF): 1800157 | Taxation Year End: 2004-12-31

CT23 Schedule F

DOLLARS ONLY

Schedule F: Summary of Co-operative Education Tax Credit Claimed

Complete a separate entry for each student work placement which ended during the corporation's taxation year. The tax credit is for co-op work placements and leading-edge technology work placements. A work placement is generally considered to be a full-time work assignment for up to 4 months in duration.

Example: If a corporation, with a December 31, 2001 taxation year end, hires an eligible student from September 1, 2001 until April 30, 2002, this would be considered 2 work placements. The first work placement is September 1, 2001 to December 31, 2001 and would be claimed in the 2001 taxation year. The second placement is January 1, 2002 to April 30, 2002 and must be claimed in the 2002 taxation year.

Qualifying Work Placements

Name of University/College and Education Program	Name of Student	Social Insurance No. of Student	Work Placement Start and End Dates (year month day)	Eligible Costs of Placement (ECP)	* Credit Claimed (See notes below) (max. $1,000 per work placement)
UNIVERSITY OF TORONTO	EDWARDS DARYL		From 2004-01-01 To 2005-08-31	5749 25,868	5775 1,000
			From To	5750 0	5776 0
			From To	5751 0	5777 0
			From To	5752 0	5778 0
			From To	5753 0	5779 0
			From To	5754 0	5780 0
			From To	5755 0	5781 0
			From To	5756 0	5782 0
			From To	5757 0	5783 0
			From To	5758 0	5784 0
				5774 25,868	5798 1,000

If insufficient space, attach schedule

Totals

Transfer to 192 *Page 7 of the Tax Return*

Note: Enter corporation's salaries & wages paid in the preceding taxation year [A] $ 5,084,455.

If [A] is $600,000 or greater use 10%. If [A] is $400,000 or les use 15%.

If [A] is over $400,000 but less than $600,000 use the following formula to calculate the rate: Rate = .15 – [.05 (From [A] 5,084,455. – $400,000) ÷ $200,000]

Indicate rate used: 10.00%. *** Credit claimed equals ECP multiplied by rate.**

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Calculation of Tax Rates for the

- Incentive Deduction for Small Business Corporations (IDSBC) (Small Business Tax Credit) (S.41)
- Surtax on Canadian-controlled Private Corporations (s.41.1)

1. Calculation of IDSBC Rate

Number of Days In Taxation Year

		Days after December 31, 1998 and before January 1, 2000		Total Days		
7.00%	x	0	/	366	=	.0000%
		Days after Dec 31, 1999 and before Jan 1, 2001		Total Days		
7.50%	x	0	/	366	=	.0000%
		Days after Dec 31, 2000 and before Oct 1, 2001		Total Days		
7.50%	x	0	/	366	=	.0000%
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
6.50%	x	0	/	366	=	.0000%
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
7.00%	x	0	/	366	=	.0000%
		Days after Dec 31, 2003		Total Days		
8.50%	x	366	/	366	=	8.5000%
IDSBC Rate for the Taxation Year					=	8.5000%

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver 2-2004

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

— 2. Calculation of Specified Rate for Surtax

Number of Days In Taxation Year

		Days after Dec 31, 1998 and before Jan 1, 2000		Total Days		
4.67%	x	0	/	366	=	.0000%
		Days after Dec 31, 1999 and before Jan 1, 2001		Total Days		
5.00%	x	0	/	366	=	.0000%
		Days after Dec 31, 2000 and before Oct 1, 2001		Total Days		
5.00%	x	0	/	366	=	.0000%
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
4.3330%	x	0	/	366	=	.0000%
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
4.6670%	x	0	/	366	=	.0000%
		Days after Dec 31, 2003		Total Days		
4.6670%	x	366	/	366	=	4.6670%
Specified Rate of Surtax for the Taxation Year					=	4.6670%

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver 2-2004

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2004-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
OSHAWA POWER AND UTILITIES CORPORATION	1800156	2004-12-31	+
OSHAWA PUC ENERGY SERVICES INC.	8114793	2004-12-31	+
OSHAWA PUC SERVICES INC.	8114781	2004-12-31	+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
		Total	
		Transfer to 85 *of the CT23*	=

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Corporate Minimum Tax - Associated Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2004-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
OSHAWA POWER AND UTILITIES CORPORATION	1800156	2004-12-31	+	+
OSHAWA PUC ENERGY SERVICES INC.	8114793	2004-12-31	+	+
OSHAWA PUC SERVICES INC.	8114781	2004-12-31	+	+
			+	+
			+	+

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2004-12-31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

Due to City of Oshawa	+	23,064,000
Customer deposits	+	4,520,399
Other (Development Fund)	+	1,057,551
Deferred revenue	+	13,866
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
Total *Transfer to* 353 *of the CT23*	=	28,655,816

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

shawa PUC Networks Inc.
orp. Tax Acct. No. : 1800157 Year Ended: 2004-12-31

nistry of Finance
rporations Tax Branch
Box 620
King Street West
hawa ON L1H 8E9

EB-2007-0713
Board Staff Interrogatories
OPUCN Response

ummary of Capital Cost Allowance

the corporation electing under regulation 1101(5g)? [Y/N] N

Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	52,273,242	6,143,379	0	0	58,416,621	3,071,689	55,344,932	4	0	0	2,213,797	56,202,824
8	529,547	120,443	0	0	649,990	60,221	589,769	20	0	0	117,954	532,036
10	1,121,971	736,522	0	0	1,858,493	368,261	1,490,232	30	0	0	447,070	1,411,423
42	94,623	0	0	0	94,623	0	94,623	12	0	0	11,355	83,268
13	25,281	0	0	0	25,281	0	25,281		0	0	9,200	16,081
13	8,485	0	0	0	8,485	0	8,485		0	0	2,424	6,061
12	19,470	16,099	0	0	35,569	8,049	27,520	100	0	0	27,520	8,049
stotal	54,072,619	7,016,443	0	0	61,089,062	3,508,220	57,580,842		0	0	2,829,320	58,259,742

shawa PUC Networks Inc.
orp. Tax Acct. No. : 1800157 Year Ended: 2004-12-31

EB-2007-0750
Board Staff Interrogatories
OPUCN Response

istry of Finance
rporations Tax Branch
Box 620
King Street West
naw, ON L1H 8E9

Summary of Capital Cost Allowance

The corporation electing under regulation 1101(5g)? [Y/N] N

Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
Total	54,072,619	7,016,443	0	0	61,089,062	3,508,220	57,580,842		0	0	2,829,320	58,259,742
								Enter in boxes	[650]	[650]	[650] on the CT23	

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

1800157 2004-12-31

2003 Capital Tax Election of Associated Group Agreement for Allocation of $5,000,000 Exemption

CT23 SCHEDULE 591

Applies to taxation years ending in the 2003 calendar year.

The following associated group of corporations includes all the corporations in this associated group (excluding financial institutions and corporations exempt from capital tax) having a permanent establishment in Canada and are hereby making an election under subsection 69(2.1) of the *Corporation Tax Act* to allocate the tax effect (maximum of $15,000) from the group's $5,000,000 exemption from taxable paid-up capital for all taxation years which end in the 2003 calendar year, based on each corporation's total assets and Ontario allocation factor from each corporation's last taxation year ending in the 2002 calendar year.

Corporation having a permanent establishment in Canada	Last taxation year ending in 2002 calendar	Ontario Allocation A	Total Assets T	Net Deduction A x [$15,000 x (T ÷ X)] ND	Allocation of Net Deduction AND
Corporation Tax Account Number (if applicable)	Year Month Day				995
1800157	2003-12-31	100.0000	77,760,000	11,523	12,637
Corporation Name: Oshawa PUC Networks Inc.					
Authorized signing officer Title: Controller					
Name: Michael Chase	Signature				
Corporation Tax Account Number (if applicable)	Year Month Day				995
1800156	2003-12-31	100.0000	23,121,147	3,426	171
Corporation Name: OSHAWA POWER AND UTILITIES CORPORATION					
Authorized signing officer Title: CONTROLLER					
Name: MICHAEL CHASE	Signature				
Corporation Tax Account Number (if applicable)	Year Month Day				995
8114793	2003-12-31	100.0000	1,026		3
Corporation Name: OSHAWA PUC ENERGY SERVICES INC.					
Authorized signing officer Title: CONTROLLER					
Name: MICHAEL CHASE	Signature				
Corporation Tax Account Number (if applicable)	Year Month Day				995
8114781	2003-12-31	100.0000	339,909	50	2,188
Corporation Name: OSHAWA PUC SERVICES INC.					
Authorized signing officer Title: CONTROLLER					
Name: MICHAEL CHASE	Signature				
Corporation Tax Account Number (if applicable)	Year Month Day				995
Corporation Name					
Authorized signing officer Title					
Name	Signature				

Total Assets of Associated Group having permanent establishments in Canada ..... X 101,222,082 959

Total Net Deductions of Associated Group having permanent establishments in Canada ..... TND 14,999 994

Total Allocated Net Deductions of Associated Group having permanent establishments in Canada ..... TAND 14,999

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2004-12-31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
OSHAWA POWER AND UTILITIES CORPORATION	1800156	2004-12-31	+
OSHAWA PUC ENERGY SERVICES INC.	8114793	2004-12-31	+
OSHAWA PUC SERVICES INC.	8114781	2004-12-31	+
			+
			+

Oshawa PUC Networks Inc.
8657996 2RC0001
December 31, 2004

CLIENT COPY

Pursuant to subsection 13(7.4) of the Income Tax Act, Oshawa PUC Networks Inc. is electing to reduce the capital cost of additions to Class 1 by $171,518.

Signature: _____

Michael Chase, Controller
Oshawa PUC Services Inc.

Date: _____

ASSURANCE AND ADVISORY BUSINESS SERVICES

ASSURANCE SERVICES

CLIENT COPY

Financial Statements

Oshawa PUC Networks Inc.

December 31, 2004

ERNST & YOUNG

AUDITORS' REPORT

To the Shareholder of
Oshawa PUC Networks Inc.

We have audited the balance sheet of **Oshawa PUC Networks Inc.** [the "Corporation"] as at December 31, 2004 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Toronto, Canada,
March 24, 2005.

Chartered Accountants

Oshawa PUC Networks Inc.

BALANCE SHEET

[in thousands of dollars]

As at December 31

	2004 $	2003 $ [restated - note 3]
ASSETS		
Current		
Cash and cash equivalents [including customer deposits of $4,520; 2003 - $4,380]	10,575	20,555
3.01% Treasury Bill – Government of Canada *[note 17]*	6,000	—
Accounts receivable	6,711	5,323
Unbilled revenue	8,256	9,558
Due from affiliate *[note 14]*	490	336
Inventory	443	481
Prepaid expenses	209	41
Current portion of regulatory assets *[note 5]*	1,527	700
Total current assets	34,211	36,994
Property, plant and equipment, net *[note 4]*	42,158	38,584
Regulatory assets, net *[note 5]*	2,013	2,961
	78,382	78,539
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current		
Accounts payable – IESO [formerly IMO] *[note 18]*	5,682	7,234
Accounts payable and accrued liabilities	4,311	3,371
Payments in lieu of corporate income taxes	629	1,828
Deferred revenue	2,142	3,450
Current portion of long-term liabilities *[note 6]*	2,262	1,386
Total current liabilities	15,026	17,269
Note payable to the shareholder *[note 13]*	23,064	23,064
Customers' advance deposits	3,031	3,602
Post-employment benefits *[note 10]*	7,444	7,216
Employee sick leave benefits *[note 7]*	264	238
Upstream capital improvement funds *[note 9]*	334	—
Provision for environmental costs *[note 11]*	100	100
Total long-term liabilities	34,237	34,220
Total liabilities	49,263	51,489
Shareholder's equity		
Capital stock *[note 12]*	23,064	23,064
Retained earnings	6,055	3,986
Total shareholder's equity	29,119	27,050
	78,382	78,539

Contingencies and commitments *[notes 15 and 16]*

See accompanying notes

On behalf of the Board:

Director Director

Oshawa PUC Networks Inc.

STATEMENT OF INCOME AND RETAINED EARNINGS

[in thousands of dollars]

Year ended December 31

	2004 $	2003 $ *[restated - note 3]*
REVENUE		
Sale of electrical energy *[note 14]*	**98,308**	93,250
Cost of electrical energy	**81,987**	77,012
Net revenue from sale of electrical energy	**16,321**	16,238
Other revenue	**1,288**	1,103
Net revenue	**17,609**	17,341
EXPENSES		
Operations, maintenance and administrative	**12,175**	12,281
Less allocated to property, plant and equipment and billable jobs	**(3,736)**	(2,629)
Operations, maintenance and administrative	**8,439**	9,652
Income before provision for non-recoverable regulatory assets, depreciation, interest and payments in lieu of corporate income taxes and LCT	**9,170**	7,689
Recovery of non-recoverable regulatory assets	**329**	1,500
Depreciation	**(3,339)**	(2,922)
Interest income	**393**	439
Interest expense *[note 13]*	**(1,485)**	(1,505)
Income before payments in lieu of corporate income taxes and LCT	**5,068**	5,201
Provision for payments in lieu of corporate income taxes and LCT *[note 8]*	**1,999**	1,941
Net income for the year	**3,069**	3,260
Retained earnings, beginning of year	**3,986**	799
Change in accounting policy *[note 3]*	**—**	452
Retained earnings, beginning of year, as restated	**3,986**	1,251
Dividend paid *[note 12]*	**(1,000)**	(525)
Retained earnings, end of year	**6,055**	3,986

See accompanying notes

Oshawa PUC Networks Inc.

STATEMENT OF CASH FLOWS

[in thousands of dollars]

Year ended December 31

	2004 $	2003 $ [restated - note 3]
OPERATING ACTIVITIES		
Net income for the year	3,069	3,260
Add (deduct) items not involving cash		
Depreciation	3,339	2,922
Decrease (increase) in regulatory assets	121	(1,690)
Employee sick leave benefits	(94)	(80)
Deferred revenue	(14)	(14)
Post-employment benefits	229	420
	6,650	4,818
Changes in non-cash working capital balances related to operations		
(Increase) decrease in accounts receivable	(1,388)	2,709
Decrease in unbilled revenue	1,302	2,860
Increase in due from affiliate	(154)	(321)
Decrease in inventory	38	796
(Increase) decrease in prepaid expenses	(168)	104
Increase in accounts payable and accrued liabilities	940	699
Decrease in accounts payable – IESO [formerly IMO]	(1,552)	(682)
(Decrease) increase in payments in lieu of corporate income taxes	(1,199)	1,801
(Decrease) increase in deferred revenue	(1,308)	1,504
	(3,489)	9,470
Cash provided by operating activities	3,161	14,288
INVESTING ACTIVITIES		
Additions to property, plant and equipment, net	(7,084)	(6,047)
Contributions in aid of construction	171	1,899
3.01% Treasury Bill - Government of Canada	(6,000)	—
Increase (decrease) in upstream capital improvement funds, net	615	(347)
Cash used in investing activities	(12,298)	(4,495)
FINANCING ACTIVITIES		
Dividend paid	(1,000)	(525)
Increase in customers' advance deposits	157	11
Cash used in financing activities	(843)	(514)
Net (decrease) increase in cash and cash equivalents during the year	(9,980)	9,279
Cash and cash equivalents, beginning of year	20,555	11,276
Cash and cash equivalents, end of year	10,575	20,555
Supplemental cash flow information		
Interest paid [prior to capitalization of interest]	1,672	1,672
Payments in lieu of corporate income taxes and LCT	1,608	350

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

[In thousands of dollars]

December 31, 2004

1. INCORPORATION

Oshawa PUC Networks Inc. (the "Corporation") was incorporated under the *Ontario Business Corporations Act* (Ontario) on October 18, 2000. The incorporation was required in accordance with the provincial government's *Electricity Act, 1998*. The Corporation operates in one business segment, providing electricity distribution services to businesses and residences in the service area of Oshawa, Ontario.

The Corporation is a wholly-owned subsidiary of Oshawa Power and Utilities Corporation, which is wholly owned by the Corporation of the City of Oshawa.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Corporation's financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"), including accounting principles prescribed by the Ontario Energy Board (the "OEB") in the handbook "Accounting Procedures Handbook for Electric Distribution Utilities" ("AP Handbook"), and reflect the significant accounting policies summarized below.

Rate setting and regulation

The *Energy Competition Act, 1998* (the "Act") was given Royal Assent on October 30, 1998. The Act provides for a competitive market in the sale of electricity and the regulation of the monopoly electricity delivery system in the Province of Ontario (the "Province") by the OEB. On May 1, 2002, the competitive market opened in Ontario.

The OEB has regulatory oversight of electricity matters in the Province. The *Ontario Energy Board Act, 1998* sets out the OEB's powers to issue a distribution license which must be obtained by any person owning or operating a distribution system under the *Ontario Energy Board Act, 1998*. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

In December 2002, the Province passed the *Electricity Pricing, Conservation and Supply act, 2002 (Bill 210)* which among other things:

[a] fixed the price of electricity paid by low volume and designated customers at 4.3 cents per kWh (retroactive to May 1, 2002); and

[b] capped distribution rates at current levels and deferred further rate increase and certain cost recoveries by distributors.

The price freeze and rate caps were originally expected to continue until at least May 1, 2006.

In June 2003, the Province passed the *Ontario Energy Board Consumer Protection and Governance Act (Bill 23)*. Among other things this Bill requires the OEB to order whether and how amounts recorded in deferral or variance accounts by electricity distributors will be reflected in rates.

In November 2003, the Province announced its intention to permit electricity distributors to make applications to the OEB earlier than outlined in Bill 210, with respect to the following:

[a] recovery of "regulatory assets", to the extent of deferred transition costs and retail energy settlement variances, (based on year end balances at December 31, 2002) to be phased in over a four year period beginning March 1, 2004; and

[b] third tranche of Market Based Rate of Return ("MBRR") as established in the rate application of March 2001, to achieve an allowable return on equity of 9.88% as available to the Corporation, effective March 1, 2005, subject to a one-time investment in conservation and demand management initiatives equal to one year of additional revenue resulting from such a rate increase.

In January 2004, the Corporation completed the rate application to allow for the recovery of 25% of the regulatory assets as of December 31, 2002 on its balance sheet. The application was approved in March 2004, and rates were increased as of April 1, 2004. The amount recovered under this rate increase has not been recognized as revenue and is reflected in the balance sheet as a reduction of regulatory assets.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

In January 2004, the Corporation also applied to the Minister of Energy for approval to submit an application to the OEB to recognize the significant revenue loss that the Corporation was going to encounter with the loss of one of the Corporation's largest customers. The Minister issued approval for the Corporation to make the application. The application was submitted, and approval was received from the OEB to collect the annual revenue loss in the amount of $555 from the balance of the Corporation's customer base. This rate adjustment was implemented July 1, 2004.

On March 1, 2004, the Province increased the price of electricity payable by low volume and designated customers. The Province introduced a two tier pricing strategy to encourage conservation. The price was increased from 4.3 cents to 4.7 cents per kWh on the first 750 kWhs consumed during a month (and 5.5 cents per kWh of consumption above 750 kWhs). This price increase became effective April 1, 2004.

In December 2004, the *Ontario Electricity Restructuring Act, 2004 (Bill 100)* received Royal Assent. The legislation reorganizes Ontario's electricity system to more effectively address the critical need for new supply, increased conservation and price stability for consumers across Ontario.

The continuing restructuring of the Province's electricity industry and other regulatory developments, including current and future possible consultations between the OEB and interested stakeholders, may affect the distribution rates, including payments in lieu of taxes ("PILs") collected from customers, that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

In order to achieve a proper matching of revenue and expenses, the timing of recognition of certain revenue and expenses for the distribution of electricity may differ from that otherwise expected under Canadian GAAP. The following regulatory treatments have resulted in accounting treatments which differ from Canadian GAAP for enterprises operating in a non-regulated environment:

[a] Regulatory assets

Under Bill 210, certain costs and variance account balances are deemed to be "regulatory assets" and are reflected in the Corporation's balance sheet until the disposition is determined by the OEB.

Bill 4, introduced in December 2003, allows for the interim approval of the recovery of regulatory assets beginning in 2004, subject to a review and/or audit by the OEB.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

The Corporation believes that full recovery of the regulatory assets through rate adjustments is not a certainty. The Corporation intends to seek recovery of the retail settlement variance accounts, the pre-market opening energy variance and the qualifying transition costs, together with interest, through future rate applications.

The principal regulatory assets of the Corporation are comprised of qualifying transition costs, pre-market opening energy variance and settlement variances, and accrued interest on these values as follows:

[i] Qualifying transition costs: Costs incurred in respect of the transition to a competitive market have been deferred in accordance with the criteria set out in the OEB's Electricity Distribution Rate Handbook and the AP Handbook. Under such regulation, certain costs are allowed to be deferred that would be expensed when incurred under Canadian GAAP for unregulated businesses. To the extent that transition costs have been incurred which do not qualify for deferral, these costs have been expensed during the year they were incurred. Transition costs which are capital in nature, such as computer software, are accounted for as part of regulatory assets.

[ii] Pre-market opening energy variance: At December 31, 2002, the Corporation recognized the pre-market opening energy variance for the period from January 1, 2001 to April 30, 2002, the date of market opening, in accordance with the AP Handbook. The pre-market opening energy variance represents the difference between the utility's cost of power purchased based upon time-of-use ("TOU") rates and the amounts billed for the cost of power to non-TOU customers at an average rate for the same period.

[iii] Settlement variances: The Corporation has recognized settlement variances for the period from May 1, 2002 to December 31, 2004 in accordance with criteria set out in the AP Handbook. Specifically, these amounts include variances between the amounts charged by the Independent Market Operator ["IMO"] now referred to as the Independent Electricity System Operator ["IESO"] for the operation of the markets and the grid, as well as various wholesale market settlement charges and transmission charges as compared to the amount billed to consumers based on the OEB approved wholesale market service rates.

[iv] Capitalized interest: The Corporation has capitalized interest on the regulatory assets and also the deferred PILs in the rate base, as prescribed by the OEB.

[v] Conservation and Demand Management Initiatives: These are costs that have been deferred in accordance with OEB guidelines to be applied towards the commitment for rate increase to achieve the full MBRR through a rate increase effective April 1, 2005. These amounts have been used in Conservation and Demand Management programs.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

[b] Payments in lieu of corporate income taxes and Large Corporations Tax ("LCT")

The Corporation provides for payments in lieu of corporate income taxes using the taxes payable method for its regulated activities as permitted by The Canadian Institute of Chartered Accountants ("CICA") and the OEB.

Inventory

Inventory, which consists of parts and supplies acquired for internal maintenance or construction, is valued at the lower of cost and replacement cost, with cost being determined on a weighted average basis net of the provision for obsolescence.

Property, plant and equipment

Property, plant and equipment purchased or constructed by the Corporation are stated at cost and include contracted services, material, labour, engineering costs and overheads. Furthermore, constructed property, plant, and equipment include interest on debt during the period of construction.

Property, plant and equipment also include the cost of certain capital assets partially funded by developers as a contribution in aid of construction to the Corporation. The OEB requires that such contributions, whether in cash or in-kind, be offset against the related asset cost.

When identifiable capital assets are retired or otherwise disposed of, their original cost and accumulated depreciation are removed from the accounts and the related gain or loss is included in the determination of income or loss for the year. Repairs and maintenance expenditures are charged to operations as incurred.

Depreciation is provided on a straight-line basis over the estimated service lives as follows:

Buildings	1.67% - 2%
Transmission, distribution system and meters	2.86% - 4%
Equipment and furniture	10%
Computer hardware	20%
Vehicle fleet	12.5% - 20%

Construction in progress comprises capital assets under construction, capital assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed. These assets are not depreciated until placed into service.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

Customers' advance deposits

Customers' advance deposits represent cash collections from customers that are available to offset the payment of energy bills or other services. Customers may be required to post security to obtain electricity or other services. Where the security posted, these amounts are recorded in the accounts as securities held in respect of customer deposits. Interest is paid on customer balances at rates established by the Corporation in accordance with OEB guidelines. Deposits expected to be refunded to customers within the next fiscal year are classified as a current liability.

In 2004, the Distribution System Code ("DSC") was changed to outline the maximum amounts of security deposits and the length of time that electricity distributors can hold them. The amendments cover all customer classes. A transition period of six months was allowed to electricity distributors to implement the changes. The Corporation has changed its deposit policies and will be adjusting its customer accounts as prescribed by the OEB. The total amount of refund for all customer classes is estimated at $1,514 and is included in the current portion of long-term liabilities.

Pension and other post-employment benefits

The Corporation accounts for its participation in the Ontario Municipal Employees Retirement Fund ("OMERS"), a multi-employer public sector pension fund, as a defined benefit plan. Both participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Corporation recognizes the expense related to this plan as contributions are due.

Employee future benefits other than pensions provided by the Corporation include supplemental health insurance, dental and life insurance. These plans provide benefits to retired employees, their spouses and surviving spouses, when they are no longer providing active service.

Employee future benefits expense is recognized in the period in which the employees render services.

Employee future benefits other than pensions are recorded on an accrual basis. The Corporation actuarially determines the cost of post-employment benefits offered to employees and retirees including their spouses and surviving spouses using the projected benefit method, pro-rated on service and based on management's best estimated assumptions. Under this method, the projected post-retirement benefits are deemed to be earned on a pro rata basis over the employees' years of service in the attribution period commencing at date of hire, and ending at the earliest age the employee could retire and qualify for benefits.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. The excess of the net actuarial gains (losses) over 10% of the accrued benefit obligation is amortized as an expense on a straight-line basis over the average remaining service period of active employees to full eligibility. The effect of a curtailment (reduction in post employment benefits) gain or loss is recognized in the year of the event giving rise to the curtailment as a charge or credit to operations. The effect of a settlement (post-employment benefits) gain or loss is recognized in the period in which a settlement occurs.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank deposits or equivalent financial instruments with maturities, upon issue, of less than 90 days.

Investments

Investments include a Government of Canada treasury bill amounting to $6,000 (2003 – nil). The interest rate on the treasury bill is 3.010% per annum (maturing on November 3, 2005). This Treasury Bill is pledged to the IESO, formerly IMO, as a security to mitigate the risk of a default on expected activity, in the energy market, settled through the IESO.

Deferred revenue

Deferred revenue consists of both Equal Payment Plan ("EPP") and Customer Advance Payments.

Revenue recognition

Revenue from the sale of electrical energy represents actual revenue attributable to the sale and delivery of electricity. Revenue includes an estimate of unbilled revenue, which represents electricity delivered and consumed by customers since the date of each customer's last meter reading or estimate but not yet billed as on the date of reporting.

Service, other revenue and interest are recognized as service is rendered, projects completed or when interest is earned.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

Provision for environmental costs

The Corporation may incur future costs associated with the disposal of contaminated waste and site restoration for certain properties. Although these costs cannot be reasonably determined for some of the properties at this time, a contingent liability exists. When reasonably determinable, the Corporation has provided for future costs by charges to income. Actual costs will be charged to the provision for environmental costs as they are incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Certain estimates are necessary since the regulatory environment in which the Corporation operates requires amounts to be recorded at estimated values until finalization and adjustment pursuant to subsequent regulatory decisions, or other regulatory proceedings. Due to inherent uncertainty involved in making such estimates, actual results could differ from those estimates, including changes as a result of future decisions made by the OEB, the Minister of Energy or the Minister of Finance.

Corporate income taxes, LCT and capital taxes

Under the *Electricity Act, 1998*, the Corporation is required to make payments in lieu of corporate income taxes and capital taxes to Ontario Electricity Financial Corporation ("OEFC"), commencing October 1, 2001. These payments are calculated in accordance with the rules for computing 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 regulations. OEFC is a Government of Ontario agency responsible for the collection of these payments. Other payments remitted to OEFC are applied against the stranded debt of Ontario Hydro.

The Corporation is a "municipal electric utility" ("MEU") for purposes of the PILs regime contained in the *Electricity Act, 1998*. The PILs regime came into effect on October 1, 2001, at which time the Corporation was deemed to have commenced a new taxation year for purposes of determining its respective liabilities for PILs. Accordingly, the Corporation was deemed to have disposed of its assets at their then fair market value and to have reacquired such assets at that same amount for the purposes of computing its future income subject to PILs. For purposes of certain provisions, the Corporation was deemed to be a new company and, as a result, tax credits or tax

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[In thousands of dollars]

December 31, 2004

losses not previously utilized by the Corporation would not be available to it after the change in tax status. Essentially, the Corporation was taxed as though it had a "fresh start" at the time of its change in tax status. The differences between the financial statement carrying value and tax bases of assets and liabilities were accounted for using the taxes payable method of accounting and were applied in accordance with recommendations of the CICA and the OEB.

The Corporation provides for PILs using the taxes payable method. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time.

The OEB's Electricity Distribution Rate Handbook provides for the recovery of PILs by local distribution companies through annual distribution rate adjustments as permitted by the OEB.

The OEB has initiated industry consultations during 2004 on the recovery of PILs through distribution rates. The method that has been used to set the PILs portion of the Corporation's rates for 2004 is consistent with the approach used in past periods.

Upstream capital improvement funds

Upstream capital improvement funds, collected under the *Development Charges Act, 1997*, or predecessor legislation, are earmarked for specific property, plant and equipment related to growth that will occur in the future. Upstream capital improvement funds balances are to be reduced as expenditures are made in the future.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

3. ACCOUNTING POLICY CHANGES

Effective January 1, 2004, the Corporation adopted the new CICA standard for accounting for asset retirement obligations ("ARO"). Under the new standard, the Corporation recognizes a liability for the future removal, handling costs, and disposal of contamination in distribution equipment. The liability is added to the carrying amount of the related asset. The liability is recognized when the ARO is incurred.

January 1	**2003**
	$
Balance sheet	
ARO assets, included in property, plant, and equipment	209
ARO liability, included in accounts payable and accrued liabilities	209
Opening retained earnings	—

The impact on adopting accounting for ARO's has an insignificant impact on the net income, and accordingly net income has not been restated.

Effective January 1, 2004, the Corporation elected to change its accounting policy to capitalize interest for Property, Plant and Equipment under construction in accordance with the CICA Section 3061 - "Property, Plant and Equipment". The rate applied for the capitalization is equivalent to the rate allowed by the OEB in respect of the long term debt at 7.25%. This change in policy has been applied in 2004, on a retroactive basis with restatement of 2003 results for comparative purposes. The effect of the change was to capitalize interest related to the construction for 2004 by $187 (2003 - $167). Opening retained earnings for 2003 was adjusted by $452 reflecting the cumulative effect for both 2001 and 2002.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS
[in thousands of dollars]

December 31, 2004

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	2004			2003		
	Cost $	Accumulated depreciation $	Net book value $	Cost $	Accumulated depreciation $	Net book value $
Transmission and distribution						
Underground distribution	36,314	16,322	19,992	34,386	14,961	19,425
Overhead distribution	31,542	16,916	14,626	28,406	15,924	12,482
Transformers	15,532	11,030	4,502	15,486	10,616	4,870
Station equipment	9,177	5,946	3,231	8,617	5,678	2,939
Meters	7,294	4,037	3,257	6,511	3,823	2,688
Equipment and furniture	2,631	2,285	346	2,511	2,191	320
Computer hardware	1,826	1,630	196	1,736	1,533	203
Vehicle fleet	3,908	2,980	928	3,245	2,779	466
Land	99	—	99	99	—	99
Buildings	534	258	276	534	250	284
Construction in progress	1,489	—	1,489	1,731	—	1,731
Property, plant and equipment before contribution in aid of construction	110,346	61,404	48,942	103,262	57,755	45,507
Contribution in aid of construction from developers and others	(7,763)	(979)	(6,784)	(7,592)	(669)	(6,923)
	102,583	60,425	42,158	95,670	57,086	38,584

In July 2004, the MOE asked the OEB to develop an implementation plan to achieve the MOE's goals of installing smart meters for all Ontario customers by December 31, 2010. Smart Meters are expected to allow customers to manage their demand for electricity to optimize use of Ontario's existing supply of electricity and reduce reliance on external sources.

The OEB has since provided its recommended plan for installation of such meters to the MOE. This plan amongst other things addresses the issue of "Stranded Costs" for replacing the meters of most residential and commercial customers in Ontario. Management believes there is no impairment of value in the meters, as in the OEB Smart Meter implementation guide, currently under consideration by MOE, the stranded costs are allowed for recovery from each customer class.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS
[in thousands of dollars]

December 31, 2004

5. REGULATORY ASSETS

Regulatory assets (liabilities) consist of the following:

	2004 $	2003 $
Qualifying transition costs	**274**	305
Pre-market opening energy variance (relating to the difference between the Corporation's cost of power based upon TOU rates and the amounts billed to non-TOU consumers at an average rate for the same period)	**1,086**	1,086
Retail settlement variances (relating mainly to the impact of the wholesale market charges that were beyond the regulated rates allowed to be charged to consumers)	**1,818**	2,276
Conservation and Demand Management Initiatives	**33**	—
Regulatory accrued interest	**329**	394
Provision for non-recoverable regulatory assets	—	(400)
Net regulatory assets	**3,540**	3,661
Current portion of regulatory assets	**(1,527)**	(700)
Net non-current regulatory assets recognized	**2,013**	2,961

Deferred PILs	2004 $	2003 $
Deferred PILs (regulatory assets)	**(57)**	34
Deferred PILs (regulatory liabilities)	**57**	(34)
Net regulatory assets (liabilities) recognized	—	—

The OEB approved distribution rates for PILs recovery based on estimated consumption volumes. The difference between actual billings that relate to the recovery of PILs and the OEB approved PILs amount is tracked by the Corporation as a deferred tax amount in accordance with OEB guidelines for regulatory assets and with the criteria set out in the AP Handbook.

6. CURRENT PORTION OF LONG-TERM LIABILITIES

The current portion of long-term liabilities consists of the following:

	2004	2003
	$	$
Deferred revenue	14	13
Customers' advance deposits	1,514	800
Upstream capital improvement funds	723	442
Employee sick leave benefits	11	131
	2,262	1,386

7. EMPLOYEE SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees on the regular staff prior to August 1, 1979, may become entitled to cash payments after termination of service, for which they may receive payment for 50% of their unused sick leave credits up to a maximum of six months' pay. During the year, $94 was paid (2003 - $80) towards encashment of sick leave credits. The liability recorded in the accounts for these accumulated benefits, to the extent that they have vested, amounted to $275 (2003 - $369). In 2004, the current portion of long-term liabilities for employee sick leave benefits is $11, and long-term liability for sick leave benefits totals $264.

8. CORPORATE INCOME TAXES

The provision for PILs differs from the amount that would have been recorded using the combined Canadian federal and provincial statutory income tax rate. The reconciliation between the statutory and effective tax rates is provided as follows:

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

Statement of income

	2004 $	2003 $
Rate reconciliation		
Income from continuing operations before PILs	**5,068**	5,201
Statutory Canadian federal and Ontario income tax rates	**36.12%**	36.62%
Expected tax provision on income at statutory tax rate	**1,831**	1,904
Increase (decrease) in income taxes resulting from		
Large Corporations Tax ("LCT") net of surtax	**—**	57
Utilization of tax losses previously not utilized	**—**	(158)
Effect of rate changes on timing differences	**—**	3
Other timing differences not utilized:		
Depreciation/CCA differences	**185**	72
Post-employment benefits	**83**	152
Other	**(100)**	(89)
Provision for PILs	**1,999**	1,941
Effective tax rate	**39.44%**	37.32%
Components of income tax expense		
LCT	**—**	57
Current income taxes	**1,999**	1,884
Provision for PILs	**1,999**	1,941

Balance sheet

Future income taxes relating to the regulated businesses have not been recorded in the accounts as they are expected to be recovered through future electricity rate revenue. As at December 31, 2004, future income tax assets of $9,434 (2003 - $9,313), are calculated based on substantively enacted income tax rates on primarily post employment non-pension benefits and the difference between the tax and book bases of property, plant and equipment.

NOTES TO FINANCIAL STATEMENTS
[in thousands of dollars]

December 31, 2004

9. UPSTREAM CAPITAL IMPROVEMENT FUNDS

Upstream capital improvement funds represent amounts received from developers for improvements to system capacity.

	2004 $	2003 $
Balance, beginning of year	**442**	789
Applied to capital projects	—	(347)
Additions to fund	**615**	—
	1,057	442
Less current portion	**723**	442
Balance, end of year	**334**	—

10. EMPLOYEE BENEFITS

[a] Pension costs

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

The Corporation incurred current service pension costs for the year ended December 31, 2004 of $324 (2003 - $103). OMERS declared a contribution holiday commencing August 1, 1998 through December 31, 2002. Partial contributions recommenced in January 2003 and in January 2004, the contributions were increased back to the full contribution rates.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

[b] Non-pension retirement (post-employment) benefits

The Corporation provides post-employment benefits, principally including supplemental health and dental coverage, for employees who retire from active employment.

	2004 $	2003 $
Changes in accrued non-pension benefit obligations		
Balance, beginning of year	**7,216**	6,796
Net periodic benefit cost incurred by the plan	**592**	591
Benefits paid by the Corporation	**(364)**	(171)
Accrued non-pension benefit obligations, end of year	**7,444**	7,216
Components of net periodic benefit cost		
Current service cost	**147**	139
Interest cost	**445**	431
Amortization of actuarial losses	**—**	21
Net periodic benefit cost	**592**	591

An actuarial study was completed during the year to estimate the Corporation's obligations of the non-pension post-employment benefits. The significant actuarial assumptions adopted in measuring the Corporation's accrued non-pension benefit obligations as at December 31 are as follows:

	2004 %	2003 %
Discount rate applied to the calculation of future benefits	**6.0**	6.0
Rate of compensation increase used in determination of future costs	**3.0**	3.0

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans, a one-percentage-point change in assumed health care cost trend rates would have the following effects for 2004:

December 31, 2004

	One percentage point increase $	One percentage point decrease $
Total service and interest cost	99	(78)
Benefit obligation	1,092	(883)

11. PROVISION FOR ENVIRONMENTAL COSTS

The Corporation has provided a nominal amount for potential environmental reclamation costs. As at December 31, 2004, a balance of $100 remains on the balance sheet (2003 - $100).

The Corporation is in the process of completing a detailed review of its total environmental remediation obligations and will reassess the provision once the review is completed.

12. SHAREHOLDER'S EQUITY

Authorized and issued capital stock as at December 31 consists of the following:

	2004 $	2003 $
Authorized		
Unlimited common shares		
Issued		
1,000 common shares	23,064	23,064

In 2004, a dividend of $1,000 (2003 - $525) was paid to the shareholder by the Corporation.

13. NOTE PAYABLE

The note payable to the Corporation of the City of Oshawa of $23,064 (2003 - $23,064) was non-interest bearing to the opening market date of May 1, 2002. The interest rate since May 1, 2002 has been at 7.25% per annum.

The note is a demand note subject to a six-month notice period. The Corporation of the City of Oshawa waived its rights to demand repayment prior to January 1, 2006 and, accordingly, the note remains classified as a long-term liability.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

The note is a demand note subject to a six-month notice period. The Corporation of the City of Oshawa waived its rights to demand repayment prior to January 1, 2006 and, accordingly, the note remains classified as a long-term liability.

In 2004, the Corporation made interest payments to the City of Oshawa of $1,672 (2003 - $1,672). Net of interest capitalized on construction in progress, interest expense charged to statement of income and retained earnings is $1,485 in 2004 (2003 -$1,505).

14. RELATED PARTY TRANSACTIONS

The Corporation transacts business with the City of Oshawa and its affiliates. These transactions are summarized below:

	2004 $	2003 $
REVENUE - Electricity sold to the City		
Facilities	**1,609**	1,235
Streetlights	**867**	787
	2,476	2,022
Other services sold - Principally streetlight maintenance	**478**	542
EXPENSES		
Net rent - 100 Simcoe Street	**264**	264

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

The Corporation receives management support from its parent, Oshawa Power and Utilities Corporation. During the year, the Corporation paid $470 (2003 - $300) to its parent.

As at December 31, 2004, the parent owed the Corporation $98 (2003 - $65), which is included in due from affiliate. The amounts owed to the Corporation from affiliated companies include $388 from Oshawa PUC Services Inc. (2003 - $269) and $4 from Oshawa PUC Energy Services Inc. (2003 - $2).

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS
[in thousands of dollars]

December 31, 2004

15. LEASE COMMITMENTS

The Corporation leases its premises under a net operating lease, which expires November 1, 2005, from the Corporation of the City of Oshawa. Future minimum net annual rental payments to the end of the lease term totals $220. The Corporation and the City of Oshawa are in discussions to renew the lease.

16. CONTINGENCIES

Insurance claims

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange is a group formed for the purpose of exchanging reciprocal contracts of indemnity of inter-insurance with each other. MEARIE provides general liability insurance to its member utilities.

Insurance premiums charged to each municipal electric utility consist of a levy per thousand dollars of service revenue subject to a credit or surcharge based on each electric utility's claims experience. Claims are insured to a limit of $20 million per occurrence.

The Corporation refers any claims received to MEARIE under the provisions of this plan. No provision has been recorded in these financial statements in respect of these matters as the Corporation has not received any material claim that is not adequately covered by its insurance.

17. FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, accounts receivable, unbilled revenue, accounts payable and accrued liabilities approximate their fair values because of the short period to maturity of these financial instruments.

Financial assets held by the Corporation expose it to credit risk. The Corporation provides for an allowance for doubtful accounts to absorb credit losses. As at December 31, 2004, there is no significant concentration of credit risk with respect to any financial assets.

Cash and cash equivalents include temporary investments amounting to nil (2003 - $14,950) invested in short-term guaranteed certificates with one of the major Canadian chartered banks.

Investments include a Government of Canada treasury bill amounting to $6,000 (2003 - nil). The Treasury Bill matures on November 3, 2005 and bears a 3.010% interest rate.

Oshawa PUC Networks Inc.

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

December 31, 2004

18. COLLATERAL

As part of its energy purchase agreement with the IESO (formerly IMO), the Corporation has pledged its treasury bill in the amount of $6,000, to the IESO as support for its energy purchase obligations.

Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200

EXEMPT FROM TAX

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

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 **Do not use this area**

Identification

Business Number (BN) 001 89172 5210 RC0001

Corporation's name

002 Oshawa PUC Networks Inc. PILs

Has the corporation changed its name since the last time we were notified? 003 1 Yes ☐ 2 No ☒

If *Yes*, do you have a copy of the articles of amendment? . . . 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? . . . . . 010 1 Yes ☐ 2 No ☒

011 100 Simcoe Street South
012

City: 015 Oshawa
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal code/Zip code: 018 L1H 7M7

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? . . . . . 020 1 Yes ☐ 2 No ☒

021 c/o
022
023

City: 025
Province, territory, or state: 026
Country (other than Canada): 027
Postal code/Zip code: 028

Location of books and records

Has the location of books and records changed since the last time we were notified? . . . . . 030 1 Yes ☐ 2 No ☒

031 100 Simcoe Street South
032

City: 035 Oshawa
Province,territory, or state: 036 ON
Country (other than Canada): 037
Postal code/Zip code: 038 L1H 7M7

040 Type of corporation at the end of the taxation year

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

If the type of corporation changed during the taxation year, provide the effective date of the change . . . . . 043 _____ YYYY MM DD

To which taxation year does this return apply?

Taxation year start: 060 2005-01-01 YYYY MM DD
Taxation year end: 061 2005-12-31 YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If *Yes*, provide the date control was acquired . . . . . 065 _____ YYYY MM DD

Is the corporation a professional corporation that is a member of a partnership? . . . . . 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? . . . . . 070 1 Yes ☐ 2 No ☒
Amalgamation? . . . . . 071 1 Yes ☐ 2 No ☒

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

Has there been a windup of a subsidiary under section 88 during the current taxation year? . . . . . 072 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? . . . . . 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? . . . . . 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 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 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 91.

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

085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☒ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096

Attachments

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

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Does the corporation have any non-resident shareholders?	151		19
Is the corporation an associated Canadian-controlled private corporation?	160	X	23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
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	X	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	X	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which a partnership identification 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?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
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
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 to Canada, a province, or a territory; or gifts of cultural or ecological property?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming reserves of any kind?	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 an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
Is the corporation claiming a surtax credit?	237		37
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
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
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 refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax?	255		92 *

*** We do not print this schedule.**

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256		T1134-A
Did the corporation have any controlled foreign affiliates?	258		T1134-B
Did the corporation own specified foreign property in the year with a cost amount over $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

Additional information

Is the corporation inactive?	280	1 Yes ☐	2 No ☒
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes ☐	2 No ☒

What is the corporation's major business activity? 282 _____
(Only complete if *Yes* was entered at line 281.)

If the major business activity involves the resale of goods, show whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

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

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

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes ☐	2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	300	5,281,896	A
Deduct: Charitable donations from Schedule 2	311		
Gifts to Canada, a province, or a territory from Schedule 2	312		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction from Schedule 43 *	325		
Non-capital losses of preceding taxation years from Schedule 4	331		
Net capital losses of preceding taxation years from Schedule 4	332		
Restricted farm losses of preceding taxation years from Schedule 4	333		
Farm losses of preceding taxation years from Schedule 4	334		
Limited partnership losses of preceding taxation 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		
Subtotal		▶	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")		5,281,896	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C **plus** amount D)	360	5,281,896	
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)			Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

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

Income from active business carried on in Canada from Schedule 7 ..... 400 5,281,896 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount on line 632* on page 7, **minus** 3 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt form Part I tax ..... 405 B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

225,000	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365	=	1
250,000	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	365	=	2
300,000	x	Number of days in the taxation year after 2004 / Number of days in the taxation year	365 / 365	=	300,000 3

Add amounts at lines 1, 2, and 3 300,000 4

Business limit (see notes 1 and 2 below) ..... 410 300,000 C

Notes:
1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation 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:

Amount C 300,000 x 415 *** 124,281 / 11,250 D = ... 3,314,160 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") ..... 425 F

Small business deduction – 16.00 % of whichever amount is the least: A, B, C, or F ..... 430 G
(enter amount G on line 9 of page 7)

* 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 corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered on line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada **minus** $10,000,000).
- If the corporation is not associated with any corporations in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporations in the current taxation year, but was associated in the preceding taxation year, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... x 300,000 / line 4 above = A

Net active business income (amount from line 400) * ..... 5,281,896 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I Tax C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... D

Amount C **minus** amount D (if negative, enter "0") ..... ▶ E

Amount A, B, or E above, whichever is less ..... F

Amount Z from Part 9 of Schedule 27 ..... x 100 / 7 = G

Amount QQ from Part 13 of Schedule 27 ..... H

Taxable resource income (amount from line 435 of page 5) I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less K

Total of amounts G, H, I, J, and K ..... ▶ L

Amount F **minus** amount L (if negative, enter "0") ..... M

Accelerated tax reduction – 7.00 % of amount M (enter amount N on line 637 of page 7) ..... N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

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

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] . . . . . 435 _____ A

Amount A _____ x Number of days in the taxation year in 2004 _____ / Number of days in the taxation year 365 x 2 % = _____ B

Amount A _____ x Number of days in the taxation year in 2005 365 / Number of days in the taxation year 365 x 3 % = _____ C

Amount A _____ x Number of days in the taxation year in 2006 _____ / Number of days in the taxation year 365 x 5 % = _____ D

Amount A _____ x Number of days in the taxation year after 2006 _____ / Number of days in the taxation year 365 x 7 % = _____ E

Resource deduction – total of amounts B, C, D, and E . . . . . 438 _____ F
(enter amount F on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

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

Amount Z from Part 9 of Schedule 27 . . . . . _____ x 100 / 7 = _____ B
Amount QQ from Part 13 of Schedule 27 . . . . . _____ C
Taxable resource income from line 435 above . . . . . _____ D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ E
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least . . . . . _____ F
Aggregate investment income from line 440 of page 6 . . . . . _____ G
Amount used to calculate the accelerated tax reduction (amount M of page 4) . . . . . _____ H
Total of amounts B, C, D, E, F, G, and H . . . . . _____ ▶ _____ I

Amount A **minus** amount I (if negative, enter "0") . . . . . _____ J

Amount J _____ x Number of days in the taxation year after 2003 365 / Number of days in the taxation year 365 x 7 % = _____ K

General tax reduction for Canadian-controlled private corporations – amount K . . . . . _____ L
(enter amount L on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation

Taxable income from line 360 on page 3 . . . . . _____ M

Amount Z from Part 9 of Schedule 27 . . . . . _____ x 100 / 7 = _____ N
Amount QQ from Part 13 of Schedule 27 . . . . . _____ O
Taxable resource income from line 435 above . . . . . _____ P
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ Q
Total of amounts N, O, P, and Q . . . . . _____ ▶ _____ R

Amount M **minus** amount R (if negative, enter "0") . . . . . _____ S

Amount S _____ x Number of days in the taxation year after 2003 365 / Number of days in the taxation year 365 x 7 % = _____ T

General tax reduction – amount T . . . . . _____ U
(enter amount U on line 639 of page 7)

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7) ..... 440 _____ x 26 2 / 3 % = ... _____ A

Foreign non-business income tax credit from line 632 on page 7 ..... _____

Deduct:

Foreign investment income (amount O from Part 1 of Schedule 7) ..... 445 _____ x 9 1 / 3 % = _____ (if negative, enter "0") _____ ▶ _____ B

Amount A **minus** amount B (if negative, enter "0") ..... _____ C

Taxable income from line 360 on page 3 5,281,896

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is the least ..... _____

Foreign non-business income tax credit from line 632 of page 7 _____ x 25 / 9 = _____

Foreign business income tax credit from line 636 of page 7 _____ x 3 = _____ ▶ _____

5,281,896

x 26 2 / 3 % = 1,408,506 D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) _____

Deduct: Corporate surtax from line 600 of page 7 ..... _____

Net amount ..... _____ ▶ _____ E

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least ..... 450 _____ F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 _____

Deduct: Dividend refund for the previous taxation year ..... 465 _____ ▶ _____ G

Add the total of:

Refundable portion of Part I tax from line 450 above ..... _____

Total Part IV tax payable from line 360 of Schedule 3 ..... _____

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation ... 480 _____ ▶ _____ H

Refundable dividend tax on hand at the end of the taxation year – Amount G **plus** amount H ..... 485 _____

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 of Schedule 3 ..... _____ x 1 / 3 _____ I

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... _____ J

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8) ..... _____

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax payable from Schedule 46	708	
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 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 Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Québec, Ontario, and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order	816	
Tax instalments paid	840	1,168,354
Total credits	890	1,168,354

1,168,354 B

Balance (line A **minus** line B) -1,168,354

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Refund code 894 [ ] Overpayment 1,168,354

Balance unpaid

Enclosed payment 898

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

[ ] Start [ ] Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes [ ] 2 No [X]

Certification

I, 950 Chase (Last name) 951 Michael (First name) 954 Controller (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 further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 2006-06-29 (Date (yyyy/mm/dd)) Signature of the authorized signing officer of the corporation

956 (905) 723-4626 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes [X] 2 No [ ]

958 Name

959 Telephone number

Language of correspondence – Langue de correspondance

990 Indicate the language in which you would like to receive correspondence. Indiquer la langue de correspondance de votre choix. 1 English / Anglais [X] 2 Français / French [ ]

Page 699

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation		Business Number	Taxation year end Year Month Day
Oshawa PUC Networks Inc.	PILs	89172 5210 RC0001	2005-12-31

Balance sheet information

Account	Description	GIFI		Amount	Prior year
Assets					
	Total current assets	1599	+	44,099,000	34,211,000
	Total tangible capital assets	2008	+	108,119,000	102,583,000
	Total accumulated amortization of tangible capital assets	2009	–	63,362,000	60,425,000
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	3,233,000	2,013,000
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	92,089,000	78,382,000
Liabilities					
	Total current liabilities	3139	+	19,587,000	12,764,000
	Total long-term liabilities	3450	+	41,000,323	36,499,323
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	60,587,323	49,263,323
Shareholder equity					
	Total shareholder equity (mandatory field)	3620	+	31,501,677	29,118,677
	Total liabilities and shareholder equity	3640	=	92,089,000	78,382,000
Retained earnings					
	Retained earnings/deficit – end (mandatory field)	3849	=	8,438,011	6,055,011

* Generic item

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation		Business Number	Taxation year end Year Month Day
Oshawa PUC Networks Inc.	PILs	89172 5210 RC0001	2005-12-31

Income statement information

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

Account	Description	GIFI		Amount	Prior year
Income statement information					
	Total sales of goods and services	8089	+	122,729,000	98,308,000
	Cost of sales	8518	–	104,926,000	81,658,000
	Gross profit/loss	8519	=	17,803,000	16,650,000
	Cost of sales	8518	+	104,926,000	81,658,000
	Total operating expenses	9367	+	13,615,000	13,263,000
	Total expenses (mandatory field)	9368	=	118,541,000	94,921,000
	Total revenue (mandatory field)	8299	+	123,974,000	99,989,000
	Total expenses (mandatory field)	9368	–	118,541,000	94,921,000
	Net non-farming income	9369	=	5,433,000	5,068,000
Farming income statement information					
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	5,433,000	5,068,000
Extraordinary items and income (linked to Schedule 140)					
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	2,330,000	1,999,000
	Deferred income tax provision	9995	–		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	3,103,000	3,069,000

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SCHEDULE 141

NOTES CHECKLIST

Corporation's name	Business Number	Taxation year end Year Month Day
Oshawa PUC Networks Inc. PILs	89172 5210 RC0001	2005-12-31

- This schedule should be completed from the perspective of the person who prepared or reported on the **financial statements**. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations* and T4012, *T2 Corporation – Income Tax Guide*.
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

Part 1 – Accounting practitioner information

Does the accounting practitioner have a professional designation?	095	1 Yes	X	2 No	
Is the accounting practitioner connected* with the corporation?	097	1 Yes		2 No	X

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

Note
If the accounting practitioner does not have a professional designation **or** is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: 198

Completed an auditor's report	1	X
Completed a review engagement report	2	
Conducted a compilation engagement	3	

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation?	099	1 Yes		2 No	X

Part 4 – Other information

Were notes to the financial statements prepared?	101	1 Yes	X	2 No	
If *Yes*, complete lines 102 to 107 below:					
Are any values presented at other than cost?	102	1 Yes		2 No	X
Has there been a change in accounting policies since the last return?	103	1 Yes	X	2 No	
Are subsequent events mentioned in the notes?	104	1 Yes	X	2 No	
Is re-evaluation of asset information mentioned in the notes?	105	1 Yes		2 No	X
Is contingent liability information mentioned in the notes?	106	1 Yes	X	2 No	
Is information regarding commitments mentioned in the notes?	107	1 Yes	X	2 No	
Does the corporation have investments in joint venture(s) or partnership(s)?	108	1 Yes		2 No	X
If *Yes*, complete line 109 below:					
Are you filing financial statements of the joint venture(s) or partnership(s)?	109	1 Yes		2 No	

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SCHEDULE 1

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end Year Month Day
Oshawa PUC Networks Inc. PILs	89172 5210 RC0001	2005-12-31

- The purpose of this schedule is to provide a reconciliation between 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*.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items per financial statements				3,103,000 A
Add:				
Provision for income taxes – current	101	2,330,000		
Amortization of tangible assets	104	3,544,568		
Non-deductible meals and entertainment expenses	121	6,584		
Reserves from financial statements – balance at the end of the year	126	8,387,075		
Subtotal of additions		14,268,227	▶	14,268,227
Other additions:				
Non-deductible interest	227	28,819		
Miscellaneous other additions:				
600 Provision for Capital Tax	290	240,000		
Subtotal of other additions	199	268,819	▶	268,819
Total additions	500	14,537,046	▶	14,537,046
Deduct:				
Gain on disposal of assets per financial statements	401	35,437		
Capital cost allowance from Schedule 8	403	2,990,678		
Reserves from financial statements – balance at the beginning of the year	414	7,819,342		
Subtotal of deductions		10,845,457	▶	10,845,457
Other deductions:				
Miscellaneous other deductions:				
700 INTEREST EXPENSE CAPITALIZED FOR ACCTG PURPOSES	390	143,968		
701 Financing Fees	391	8,075		
702 Ontario Capital Tax	392	255,383		
703 Executive Salaries Capitalized for acctng under Article 340	393	1,105,267		
Subtotal of other deductions	499	1,512,693	▶	1,512,693
Total deductions	510	12,358,150	▶	12,358,150
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				5,281,896

T2 SCH 1 E (06)

Canada

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

CAPITAL COST ALLOWANCE (CCA)

SCHEDULE 8

Name of corporation	Business Number	Taxation year end Year Month Day
Oshawa PUC Networks Inc. PILs	89172 5210 RC0001	2005-12-31

Is the corporation electing under regulation 1101(5q)? 101 1 Yes ☐ 2 No ☒

	1 Class number 200	2 Undepreciated capital cost at the beginning of the year 201	3 Cost of acquisitions during the year* 203	4 Net adjustments 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 Undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)** 211	8 Reduced undepreciated capital cost (column 6 **minus** column 7)	9 CCA rate % 212	10 Recapture of capital cost allowance (amount on line 107 of Schedule 1) 213	11 Terminal loss (amount on line 404 of Schedule 1) 215	12 Capital cost allowance (column 8 **multiplied** by column 9; or a lower amount) (amount on line 403 of Schedule 1)*** 217	13 Undepreciated capital cost at the end of the year (column 6 **minus** column 12) 220
1	1	56,202,824	3,091,067		0	59,293,891	1,545,534	57,748,357	4	0	0	2,309,934	56,983,957
2	8	532,036	173,256		0	705,292	86,628	618,664	20	0	0	123,733	581,559
3	10	1,411,423			0	1,411,423		1,411,423	30	0	0	423,427	987,996
4	42	83,268			0	83,268		83,268	12	0	0	9,992	73,276
5	12	8,050	58,650		0	66,700	29,325	37,375	100	0	0	37,375	29,325
6	13	16,081			0	16,081		16,081	N/A	0	0	9,200	6,881
7	13	6,061			0	6,061		6,061	N/A	0	0	2,424	3,637
8	45		366,962		35,437	331,525	165,763	165,762	45	0	0	74,593	256,932
	Total	58,259,743	3,689,935		35,437	61,914,241	1,827,250	60,086,991				2,990,678	58,923,563

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

** The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

*** If the taxation year is shorter than 365 days, prorate the CCA claim.
See the *T2 Corporation Income Tax Guide* for more information.

T2 SCH 8 (99)

Canada

CORPORATE TAXPREP / TAXPREP DES SOCIÉTÉS - EP05

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return

Tax return

Additions for tax purposes – Schedule 8 regular classes		3,689,935	
Additions for tax purposes – Schedule 8 leasehold improvements	+		
Operating leases capitalized for book purposes	+		
Capital gain deferred	+		
Recapture deferred	+		
Deductible expenses capitalized for book purposes – Schedule 1	+	1,105,267	
Change in construction in progress	+	1,227,614	
Total additions per books	=	6,022,816	6,022,816
Proceeds up to original cost – Schedule 8 regular classes		35,437	
Proceeds up to original cost – Schedule 8 leasehold improvements	+		
Proceeds in excess of original cost – capital gain	+		
Recapture deferred – as above	+		
Capital gain deferred – as above	+		
Pre V-day appreciation	+		
	+		
Total proceeds per books	=	35,437	– 35,437
Depreciation and amortization per accounts – Schedule 1			– 3,544,568
Loss on disposal of fixed assets per accounts			–
Gain on disposal of fixed assets per accounts			+ 35,000
Net change per tax return			= 2,477,811

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		44,646,000
Opening net book value	–	42,158,000
Net change per financial statements	=	2,488,000

If the amounts from the tax return and the financial statements differ, explain why below

Diff= $10,189 (due to rounding)

Page 705

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
Oshawa PUC Networks Inc. PILs	89172 5210 RC0001	2005-12-31

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporations(s)

	Name 100	Country of residence (if other than Canada) 200	Business Number (Canadian corporation only) (see note 1) 300	Relationship code (see note 2) 400	Number of common shares owned 500	% of common shares owned 550	Number of preferred shares owned 600	% of preferred shares owned 650	Book value of capital stock 700
1.	OSHAWA POWER AND UTILITIES C		86486 7593 RC0001	1					
2.	OSHAWA PUC ENERGY SERVICES II		85749 1336 RC0001	3					
3.	OSHAWA PUC SERVICES INC.		86579 9662 RC0001	3					

Note 1: Enter "NR" if a corporation is not registered.
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(99)

Canada

EB-2007-0710
Board Staff Interrogatories
Appendix 2-CN
Page 705

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 11

TRANSACTIONS WITH SHAREHOLDERS, OFFICERS, OR EMPLOYEES

Corporation's name	Business Number	Taxation year end Year Month Day
Oshawa PUC Networks Inc. PILs	89172 5210 RC0001	2005-12-31

Provide the details of any transactions with shareholders, officers or employees that involve:

- payments the corporation made or amounts credited to the account of shareholders, officers, or employees, which were not part of their remuneration or reimbursement of expenses;
- assets the corporation sold to or purchased from shareholders, officers, or employees, including those for which an election was made under section 85; or
- loans or indebtedness to shareholders, officers, or employees, or persons connected with a shareholder, which were not repaid by the end of the taxation year.

	Relationship code (see note) 100	Payments $ 200	Reimbursement (Other than reimbursement of expenses) $ 300	Loans receivable from, or debts owing to $ 400	Assets sold or purchased $ 500	Does section 85 apply to assets sold or purchased? 550
1	1	480,000		245,623		Yes ☐ No ☐
2						Yes ☐ No ☐

Note: Enter the code number of the relationship that applies: (if more than one relationship exists, enter the lowest applicable number)

1 - Shareholder
2 - Officer
3 - Employee

T2 SCH 11 (00)

Canada

EB-2007-0710
Board Staff Interrogatories
Oral CM Response

Page 707

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 14

MISCELLANEOUS PAYMENTS TO RESIDENTS

Name of corporation	Business Number	Taxation year end Year Month Day
Oshawa PUC Networks Inc. PILs	89172 5210 RC0001	2005-12-31

- This schedule must be completed by all corporations who made the following payments to residents of Canada: royalties for which the corporation has not filed a T5 slip; research and development fees; management fees; technical assistance fees; and similar payments.
- Please enter the name and address of the recipient and the amount of the payment in the applicable column. If several payments of the same type (i.e., management fees) were made to the same person, enter the total amount paid. If similar types of payments have been made, but do not fit into any of the categories, enter these amounts in the column entitled "Similar payments".

	Name of recipient 100	Address of recipient 200	Royalties 300	Research and development fees 400	Management fees 500	Technical assistance fees 600	Similar payments 700
1	Oshawa Power and Utilities C	100 Simcoe Street South Oshawa ON L1H 7M7			480,000		

T2 SCH 14 (99)

Canada

EB-2007-0710
Board Staff Interrogatories
OPA-CNE Exhibit ___ Tab ___ Schedule ___

Page 708

Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada

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 purposes of 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 taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act*, not to be associated for purposes of the small business deduction.

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

Column 3: Enter the code 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" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an 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 times 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 is equal to an amount in one of the following ranges, whichever applies:

– from $200,001 to $225,000, if the calendar year to which this agreement applies is 2003;
– from $225,001 to $250,000, if the calendar year to which this agreement applies is 2004; or
– from $250,001 to $300,000, if the calendar year to which this agreement applies is 2005.

If the calendar year to which this agreement applies is after 2005, ensure that the total at line A does not exceed $300,000.

Allocation of the business limit

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

Enter the calendar year to which the agreement applies . . . . . 050 Year 2005

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

	1 Names 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	
	Oshawa PUC Networks Inc.	89172 5210 RC0001	1	300,000	100.0000	300,000	
1	OSHAWA POWER AND UTILITIES CORPORATI	86486 7593 RC0001	1	300,000			
2	OSHAWA PUC ENERGY SERVICES INC.	85749 1336 RC0001	1	300,000			
3	OSHAWA PUC SERVICES INC.	86579 9662 RC0001	1	300,000			
				Total	100.0000	300,000	A

EB-2007-0710
Board Staff Interrogatories
Oshawa PUC Networks Inc.

Page 709

Business limit reduction under subsection 125(5.1)

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return. If the corporation is a member of an associated group*** of corporations in the current taxation year, and that taxation year:

- starts before December 21, 2002, the amount at line 415 of the T2 return is equal to the gross Part I.3 tax of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year. The gross Part I.3 tax is the amount before deducting the surtax credits, which is increased to reflect a full-year tax liability if the taxation year is less than 51 weeks; or
- starts after December 20, 2002, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada** of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year.

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

If a CCPC has more than one taxation year ending in a calendar year and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year, the business limit for the second (and subsequent) taxation year(s) will be equal to the business limit allocated for the first taxation year ending in the calendar year.

** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the *Income Tax Act*.

*** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

T2 SCH 23 (04)

Canada

EB-2007-0710
Board Staff Interrogatories
Schedule 5.1
Page 709 of 945

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 33

PART I.3 TAX ON LARGE CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
Oshawa PUC Networks Inc. PILs	89172 5210 RC0001	2005-12-31

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before deducting surtax credits (line 820 in Part 5). You should also use and file this schedule if you calculate a **gross Part I.3 tax for the purposes of unused surtax credit** (line 821 in Part 6) and a **current-year unused surtax credit** (line 850 in Part 8).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *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.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) a non-resident-owned investment corporation throughout the year;
  2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  4) exempt from tax under section 149 throughout the year on all of its taxable income;
  5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the *T2 Corporation Income Tax Return* no later than six months from the end of the taxation year.
- This schedule may contain changes that had not yet become law at the time of printing.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. 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 amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	8,387,075	
Capital stock (or members' contributions if incorporated without share capital)	103	23,063,666	
Retained earnings	104	8,438,011	
Contributed surplus	105		
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	34,212,786	
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 in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111		
Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112		
Subtotal		74,101,538 ▶	74,101,538 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121		
Any deficit deducted in computing 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		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123		
The amount of deferred unrealized foreign exchange losses at the end of the year	124		
Subtotal		▶	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		74,101,538

Note:

Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined under lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Amounts owing to the member or to other corporations that are members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Page 711

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	651,092
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 receivable 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 all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	
An interest in a partnership (see note 1 below)	407	
Investment allowance for the year	490	651,092

Notes:

1. Where the corporation has an interest in a partnership or tiered partnerships, consider the following:
   - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
   - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's taxation year; and
   - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.
2. 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 by reason of paragraph 181.1(3)(d)].
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, according to subsection 181.2(6).

Part 3 – Taxable capital

Capital for the year (line 190)		74,101,538 C
Deduct: Investment allowance for the year (line 490)		651,092 D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	73,450,446

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) 73,450,446 x (Taxable income earned in Canada / Taxable income) 610 5,281,896 / 5,281,896 = **Taxable capital employed in Canada** 690 73,450,446

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 taxation 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 it carried on 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 it carried on 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 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	

Notes: 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.

EB-2007-0710
Board Staff Interrogatories
Page CN Response

Part 5 – Calculation of gross Part 1.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies) 73,450,446

Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36) 801 48,900,000

Excess of taxable capital employed in Canada over capital deduction 811 24,550,446

Line 811	24,550,446	x	Number of days in the taxation year before 2004 / Number of days in the taxation year	x	0.00225000	=	F
Line 811	24,550,446	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	x	0.00200000	=	G
Line 811	24,550,446	x	365 / 365	x	0.00175000	= 42,963	H
Line 811	24,550,446	x	Number of days in the taxation year in 2006 / Number of days in the taxation year	x		=	I
Line 811	24,550,446	x	Number of days in the taxation year in 2007 / Number of days in the taxation year	x		=	J

(Number of days in the taxation year: 365)

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2005.

Subtotal (add amounts F to J) 42,963 K

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:

Amount K 42,963 x Number of days in the year (365) / 365 = ... L

Gross Part I.3 tax (amount K or L, whichever applies) 820 42,963

Part 6 – Calculation of gross Part I.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies) . . . . . 73,450,446 M

Deduct: Line 801 above 48,900,000 x 1/5 = ... 9,780,000 N

Excess (amount M minus amount N) (if negative, enter "0") 63,670,446 O

Amount O 63,670,446 x 0.00225 = ... 143,259 P

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax for purposes of the unused surtax credit as follows:

Amount P 143,259 x Number of days in the year (365) / 365 = ... Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies) 821 143,259

EB-2007-0710
Board Staff Interrogatories
Tab 1
Schedule 1
Page 7 of 12

Page 713

Part 7 – Calculation of current-year surtax credit available

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, enter amount **a** or **b** at line R, whichever is less:

a) line 600 from the T2 return			**a**	
b) line 700 from the T2 return			**b**	R

In any other case, enter amount **c** or **d** at line S, whichever is less:

c) line 600 from the T2 return	59,157	x	line 690 of this schedule / line 500 of this schedule	73,450,446 / 73,450,446	=	59,157 **c**	
d) line 700 from the T2 return						1,168,354 **d**	59,157 S

Current-year surtax credit available (amount R or S, whichever applies) **830** 59,157

Part 8 – Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		59,157
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		143,259
Current-year unused surtax credit (if negative, enter "0")	**850**	

Enter this amount at line 600 on Schedule 37.

Part 9 – Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)				42,963 T
Deduct:				
Current-year surtax credit applied (line 820 or 830, whichever is less)	**861**	42,963		
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37)	**862**			
Subtotal (cannot be more than amount on line 820)		42,963 ▶		42,963 U
Net Part I.3 tax payable (amount T minus amount U)	**870**			

Enter this amount at line 704 of the T2 return.

EB-2007-0710
Board Staff Interrogatories
Schedule 1

Attached Schedule with Total

Part 1 -- Reserves that have not been deducted in computing income for the year under Part I

Title Non-deductible reserves

Description	Amount
Employee future benefits	7,797,170 00
Employee sick leave benefits	244,905 00
Deferred Income	345,000 00
Total	8,387,075 00

EB-2007-0710
Board Staff Interrogatories
OPUCN Responses

Page 715

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title S33 - Loan or Advance to another Corporation

Description	Amount
Securities Held for Deposit	7,192 00
Due from related parties	643,900 00
Total	651,092 00

EB-2007-0710
Board Staff Interrogatories
Appendix 2-M
Page 1 of 1

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 36

AGREEMENT AMONG RELATED CORPORATIONS – PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $50,000,000 among the members of the related group. **Do not file this agreement if no members of the related group have to pay Part I.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal *Income Tax Act*, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Agreement

Date filed (do not use this area) ..... 010 Year Month Day

Is this an amended agreement? ..... 020 1 Yes ☐ 2 No ☒

Calendar year to which the agreement applies ..... 030 Year 2005

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member that is exempt from Part 1.3 tax under subsection 181.1(3) does not have to be included.

	Names of all corporations which are members of the related group 200	Business Number (if a corporation is not registered, enter "NR") 300	Allocation of capital deduction for the year $ 400	Taxation year end to which this agreement applies* (YYYY/MM/DD) 500
	Oshawa PUC Networks Inc. PILs	89172 5210 RC0001	48,900,000	
1	OSHAWA POWER AND UTILITIES CORPORATION	86486 7593 RC0001		
2	OSHAWA PUC ENERGY SERVICES INC.	85749 1336 RC0001		
3	OSHAWA PUC SERVICES INC.	86579 9662 RC0001	1,100,000	

Total (cannot be more than $50,000,000) 50,000,000

* Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

T2 SCH 36 (04)

Canada

Oral CM Response
Board Staff Interrogatories
EB-2007-0710

Page 717

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Taxation year end Year Month Day
Oshawa PUC Networks Inc. PILs	89172 5210 RC0001	2005-12-31

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 per shareholder				
	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust) 100	Business Number 200	Social Insurance Number 300	Trust Number 350	Percentage common shares 400	Percentage preferred shares 500
1	Oshawa Power and Utilities Corporation	86486 7593 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Ontario

Ministry of Finance
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

2006 CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2003

Corporations Tax Act – Ministry of Finance (MOF)
Corporations Information Act – Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Government Services (MGS) **Annual Return**. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MGS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MGS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No **Page 1 of 20**

Corporation's Legal Name *(including punctuation)*

Oshawa PUC Networks Inc. PILs

Ontario Corporations Tax Account No. (MOF)
1800157

Mailing Address

100 Simcoe Street South

Oshawa
ON CA L1H 7M7

This Return covers the Taxation Year

Start: year month day 2005-01-01

End: year month day 2005-12-31

Has the mailing address changed since last filed CT23 Return? [ ] Yes | Date of Change: year month day

Date of Incorporation or Amalgamation: year month day 2000-11-01

Registered/Head Office Address

100 Simcoe Street South

Oshawa
ON CA L1H 7M7

Ontario Corporation No. (MGS): 0000001

Location of Books and Records

100 Simcoe Street South

Oshawa
ON CA L1H 7M7

Canada Revenue Agency Business No.
If applicable, enter: 89172 5210 RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
Michael Chase	(905) 723-4626	(905) 723-3248

Jurisdiction Incorporated: Ontario

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MGS)

Ontario Canada

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:

Commenced: year month day

Ceased: year month day

[X] *Not Applicable*

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MGS)

Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). ▶

No. of Schedule(s)

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MGS, please check (X) this box. Schedule(s) A and K are not required (MGS). ▶ [X] No Change

Preferred Language / *Langue de préférence*

[X] English *anglais* [ ] French *français*

Ministry Use

Certification (MGS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

Michael Chase

Title: D [ ] Director O [X] Officer P [ ] Other individuals having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

Type of corporation

1

1 [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other *(specify)* ▼

Share Capital with full voting rights owned by Canadian Residents (nearest percent) 100 %

2

1 [ ] Family Farm corporation s.1(2)

2 [ ] Family Fishing corporation s.1(2)

3 [ ] Mortgage Investment corporation s.47

4 [ ] Credit Union s.51

5 [ ] Bank Mortgage subsidiary s.61(4)

6 [ ] Bank s.1(2)

7 [ ] Loan and Trust corporation s.61(4)

8 [ ] Non-resident corporation s.2(2)(a) or (b)

9 [ ] Non-resident corporation s.2(2)(c)

10 [ ] Mutual Fund corporation s.48

11 [ ] Non-resident owned Investment corporation s.49

12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

14 [ ] Bare Trustee corporation

15 [ ] Branch of Non-resident s.63(1)

16 [ ] Financial institution prescribed by Regulation only

17 [ ] Investment Dealer

18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale

19 [X] Hydro successor, municipal electrical utility or subsidiary of either

20 [ ] Producer and seller of steam for uses other than for the generation of electricity

21 [ ] Insurance Exchange s.74.4

22 [ ] Farm Feeder Finance Co-operative corporation

23 [ ] Professional corporation (incorporated professionals only)

[ ] This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)

[ ] Amended Return

[ ] Taxation year end change – Canada Revenue Agency approval required

[ ] Final taxation year up to dissolution *(Note: for discontinued businesses, see guide.)*

[ ] Final taxation year before amalgamation

[ ] The corporation has a floating fiscal year end

[ ] There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[ ] There was an acquisition of control to which subsection 249(4) of the federal *Income Tax Act* (ITA) applies since the previous taxation year

If checked, date control was acquired year month day

[ ] The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)

[ ] First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)

[ ] Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

Yes	No	
[ ]	[X]	Was the corporation inactive throughout the taxation year?
[X]	[ ]	Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?

Are you requesting a refund due to:

[ ]	[X]	the Carry-back of a Loss?
[X]	[ ]	an Overpayment?
[ ]	[X]	a Specified Refundable Tax Credit?
[ ]	[X]	Are you a member of a Partnership or Joint Venture?

Complete if applicable

Ontario Retail Sales Tax Vendor Permit no. (Use head office no.)

Ontario Employer Health Tax Account no. (Use head office no.)

Specify major business activity

Electricity Distrib

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	5,281,896
Subtract: Charitable donations	–		1	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–		2	
Subtract: Taxable dividends deductible, per federal Schedule 3	–		3	
Subtract: Ontario political contributions *(Attach Schedule 2A)* (Int.B. 3002R)	–		4	
Subtract: Federal Part VI.1 tax _____ x 3	–		5	
Subtract: Prior years' losses applied – Non-capital losses From 715	–	From	704	
Net capital losses (page 16) _____ x inclusion rate 50.000000 % =	–		714	
Farm losses	–	From	724	
Restricted farm losses	–	From	734	
Limited partnership losses	–	From	754	
Taxable Income (Non-capital loss)	=		10	5,281,896
Addition to taxable income for unused foreign tax deduction for federal purposes	+		11	
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=		20	5,281,896

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) 5,281,896 x 30 100.0000 % (Ontario Allocation) x 12.5 % x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 ____ ÷ Total Days 73 365) = + 29 _____

From 10 (or 20 if applicable) 5,281,896 x 30 100.0000 % (Ontario Allocation) x 14 % x (Days after Dec. 31, 2003: 34 365 ÷ Total Days 73 365) = + 32 739,465

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 739,465

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [X] Yes [ ] No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	5,281,896
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51 5,281,896		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53		
	= 5,281,896	54	5,281,896
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55	300,000

Ontario Business Limit Calculation

320,000 x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 31 ____ ÷ ** 365) = + 46 _____

400,000 x (Days after Dec. 31, 2003: 34 365 ÷ ** 365) = + 47 400,000

Business Limit for Ontario purposes 46 + 47 = 44 400,000 x (Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated. 48 100.0000 %) = 45 400,000

Income eligible for the IDSBC From 30 100.0000 % ***Ontario Allocation x 56 400,000 = 60 400,000 (Least of 50, 54 or 45)

* ***Note:*** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note:*** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note:*** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate — Number of Days in Taxation Year

			Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days					
7 %	x	31		÷	73	365	= +	89		.
		Days after Dec. 31, 2003			Total Days					
8.5 %	x	34	365	÷	73	365	= +	90		8.5000
IDSBC Rate for Taxation Year 89 + 90							=	78		8.5000
Claim — From 60		400,000 .	x	From 78		8.5000 %	=	70		34,000 .

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount 400,000 in 114 below.

Surtax on Canadian-controlled Private Corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

Associated Corporation - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

***Taxable Income of the corporation** — From 10 (or 20 if applicable) + 80 5,281,896 .

If you are a member of an associated group (X) 81 X (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Taxable Income (if loss, enter nil)
OSHAWA POWER AND UTILITIES CORPORATION	1800156	2005-12-31	+ 82 .
OSHAWA PUC ENERGY SERVICES INC.	8114793	2005-12-31	+ 83 .
OSHAWA PUC SERVICES INC.	8114781	2005-12-31	+ 84 .
Aggregate Taxable Income 80 + 82 + 83 + 84, etc.			= 85 5,281,896 .

Number of Days in Taxation Year

			Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days					
320,000	x	31		÷	73	365	= +	115		.
		Days after Dec. 31, 2003			Total Days					
400,000	x	34	365	÷	73	365	= +	116		400,000 .
		115 + 116		=			400,000 . ▶		– 114	400,000 .
(If negative, enter nil)									= 86	4,881,896 .

Calculation of Specified Rate for Surtax — Number of Days in Taxation Year

			Days after Dec. 31, 2002		Total Days					
4.6670 %	x	38	365	÷	73	365	= +	97		4.6670
From 86	4,881,896 .	x	From 97	4.6670 %				=	87	227,838 .
From 87	227,838 .	x	From 60	400,000 .	÷	From 114	400,000 .	=	88	227,838 .
Surtax Lesser of 70 or 88								=	100	34,000

* ***Note: Short Taxation Years*** – Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* - - - - - - - - - - - 110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits - + 120

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - From 56 400,000

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 34,000 ÷ From 30 100.0000 % ÷ From 78 8.5000 % = 121 400,000

*Ontario Allocation

Lesser of 56 or 121 - + 122 400,000

120 – 56 + 122 - = 130

Taxable Income - + From 10 5,281,896

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - From 56 400,000

Add: Adjustments for Surtax on Canadian-controlled private corporations - - - - - - - - - - - - - - - + From 122 400,000

Subtract: Taxable Income 10 5,281,896 X Allocation % to jurisdictions outside Canada _____ % - - - 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - - - - - - - - 141

10 – 56 + 122 – 140 – 141 - = 142 5,281,896

Claim

Number of Days in Taxation Year

143 _____ X From 30 100.0000 % X 1.5 % X (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 _____ ÷ Total Days 73 365) = + 154

Lesser of 130 or 142 — Ontario Allocation

143 _____ X From 30 100.0000 % X 2 % X (Days after Dec. 31, 2003: 34 365 ÷ Total Days 73 365) = + 156

Lesser of 130 or 142 — Ontario Allocation

M&P claim for taxation year 154 + 156 - = 160

** **Note:** Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity - - - - - - - - - - = 162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). *(Attach schedule).* - 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 _____ Credit Claimed 180

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 - - - - = 190 739,465

continued on Page 7

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Page 723

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to scientific research and experimental development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* + 191

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 CT23 Schedule 113 *(Attach Schedule 113)* + 192

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production 204
Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 193

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596
Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. 194
Eligible Credit From 6598 CT23 Schedule 115 *(Attach Schedule 115)* + 195

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 196

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 197

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* + 198

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 199

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 200

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 201

Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From 5896
Applies to employment of eligible apprentices. 202
Eligible Credit From 5898 CT23 Schedule 114 *(Attach Schedule 114)* + 203

Other (specify) _____ + 203.1

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220

Specified Tax Credits ***Applied to reduce Income Tax*** = 225

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230 739,465

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8.** If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on **Page 17.**

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8.**

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Total Assets of the corporation	+ 240	92,089,000 •	
Total Revenue of the corporation		+ 241	123,974,000 •

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (X) 242 [X] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
OSHAWA POWER AND UTILITIES CORPORATION	1800156	2005-12-31	+ 243 46,297,200 •	+ 244 1,202,498 •
OSHAWA PUC ENERGY SERVICES INC.	8114793	2005-12-31	+ 245 1,215 •	+ 246 27 •
OSHAWA PUC SERVICES INC.	8114781	2005-12-31	+ 247 1,260,635 •	+ 248 141,975 •
Aggregate Total Assets 240 + 243 + 245 + 247 , etc.			= 249 139,648,050 •	
Aggregate Total Revenue 241 + 244 + 246 + 248 , etc.				= 250 125,318,500 •

Determination of Applicability

Applies if ***either*** Total Assets 249 exceeds $5,000,000 ***or*** Total Revenue 250 exceeds $10,000,000.

Short Taxation Years – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101.**

Calculation: CMT *(Attach Schedule 101.)*

Gross CMT Payable – CMT Base — From Schedule 101 2136 5,433,000 • (If negative, enter zero) X From 30 100.0000 % (Ontario Allocation) X 4 % = 276 217,320 •

Subtract: Foreign Tax Credit for CMT purposes *(Attach Schedule)*	–	277	
Subtract: Income Tax	– From	190	739,465 •
Net CMT Payable (If negative, enter Nil on Page 17.)	=	280	-522,145 •

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from **Page 7** to **Income Tax Summary, on Page 17.**

If 280 is less than zero and you have a CMT credit carryover, complete A & B below.

If 280 is greater than or equal to zero, transfer 230 to **Page 17** and transfer 280 to **Page 17, and to Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.**

CMT Credit Carryover available From Schedule 101 — From 2333

Application of CMT Credit Carryovers

A.

Income Tax (before deduction of specified credits)	+ From	190	739,465 •
Gross CMT Payable	+ From 276	217,320 •	
Subtract: Foreign Tax Credit for CMT purposes	– From 277	•	
If 276 – 277 is negative, enter NIL in 290	=	217,320 •	– 290 217,320 •
Income Tax eligible for CMT Credit			= 300 522,145 •

B.

Income Tax (after deduction of specified credits)	+ From	230	739,465 •
Subtract: CMT credit used to reduce income taxes	–	310	•
Income Tax	=	320	739,465 •

Transfer to page 17

If A & B apply, 310 ***cannot exceed the lesser of*** 230 , 300 ***and your CMT credit carryover available*** 2333 .

If only B applies, 310 ***cannot exceed the lesser of*** 230 ***and your CMT credit carryover available*** 2333 .

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Capital Tax *(Refer to Guide and Int.B. 3011R)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 *and* 430 *on page 10 then proceed to page 13.*

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in 480 *and* 430 *are both $3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* 550 *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.*

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(2)(a) or 2(2)(b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)	+	350	23,063,666
Retained earnings (if deficit, deduct) (Int.B. 3012R)	±	351	8,438,011
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	+	352	
Loans and advances *(Attach schedule)* (Int.B. 3013R)	+	353	34,212,786
Bank loans (Int.B. 3013R)	+	354	
Bankers acceptances (Int.B. 3013R)	+	355	
Bonds and debentures payable (Int.B. 3013R)	+	356	
Mortgages payable (Int.B. 3013R)	+	357	
Lien notes payable (Int.B. 3013R)	+	358	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	+	359	8,387,075
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	+	360	
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012R)	+	361	17,937,524
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)	+	362	
Subtotal	=	370	92,039,062
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)	–	371	
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	–	372	
Total Paid-up Capital	=	380	92,039,062
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	–	381	
Electrical Generating Corporations Only – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the *Corporations Tax Act*, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	–	382	
Net Paid-up Capital	=	390	92,039,062

Eligible Investments *(Refer to Guide and Int.B. 3015R)*

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	
Mortgages due from other corporations	+	403	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	
Loans and advances to unrelated corporations	+	405	7,192
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	643,990
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	
Total Eligible Investments	=	410	651,182

continued on Page 10

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

CLIENT COPY

Electronic Filing Certificate for Corporations Tax Return CT23

Document Control Number (DCN) 8917252102006062914325900000

Corporation's Ontario Tax Account Number: 1800157

- [ ] First Year of Filing
- [ ] Amended Return
- [ ] Taxation Year End has changed (approval by Revenue Canada required)
- [ ] Exempt From Filing
- [ ] Final Taxation Year up to Dissolution
- [ ] Final Taxation Year before Amalgamation
- [ ] Floating Fiscal Year End
- [X] Subject to CMT
- [ ] Change of Control fed. s.249(4)

Date Control was acquired:

Date of Incorporation: 2000-11-01

Return for Taxation Year
Start: 2005-01-01
End: 2005-12-31

Change of Information? Yes [ ] No [X]

Corporation's Legal Name
Oshawa PUC Networks Inc. PILs

Revenue Canada Taxation Account Number: 89172 5210 RC0001

Mailing Address

100 Simcoe Street South

Oshawa
ON CA L1H 7M7

Jurisdiction Incorporated: Ontario

Transmitter Data

Transmitter Number A0005009
Transmitter Name:
Ernst & Young LLP
Name of Person to Contact
Telephone Number . . . . . (416) 864-1234
Facsimile Number . . . . . (416) 943-2262
Transmitter Address:
P.O. Box 251, 222 Bay Street
Toronto-Dominion Centre
Toronto
ON M5K1J7

Disk Reference Number		252100
Aggregate of Total Revenue	250	125,318,500
Aggregate of Total Assets	249	139,648,050
Taxable Income (Non-capital Loss)	10	5,281,896
Total Tax Payable	950	994,848
Payments	960	1,414,402
Enclosed	990	
Apply to: Year		
Apply Amount	980	
Refund	975	419,554 Yes [X] No [ ]

If Yes, Due to:
- Loss Carryback . . . . . Yes [ ] No [X]
- Overpayment . . . . . Yes [X] No [ ]
- Refundable Tax Credit . . . . . Yes [ ] No [X]

Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this Return, has been examined by me and is a true, correct and complete Return, and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the Corporations Tax Act. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name: Michael Chase

Title: Controller

Full Residence address

Signature	Date	Phone Number
	2006-06-29	(905) 723-4626

Ministry Use Only Return I.D. #

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

ıent Advice

Corporation's Ontario Tax Account Number	Date of Incorporation year month day
1800157	2000-11-01
Corporation's Legal Name	
Oshawa PUC Networks Inc.	PILs

Enter the amount of payment and indicate taxation year.

Taxation Year End	Payment Amount
2004-12-31	$
2005-12-31	$
Total Payment	$

Submit your cheque (drawn on a Canadian financial institution) or money order, in Canadian funds, payable to the Minister of Finance.

Send to: Ontario Ministry of Finance
Corporations Tax Branch
PO Box 642
33 King Street West
Oshawa ON L1H 8T1

Incomplete information will result in a delay processing an assessment.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Oshawa PUC Networks Inc.
86579966 2RC0001
December 31, 2005

Pursuant to subsection 13(7.4) of the Income Tax Act, Oshawa PUC Networks Inc. is electing to reduce the capital cost of additions to Class 1 by $5,299,045.

Signature: _____

Michael Chase, Controller
Oshawa PUC Services Inc.

Date: _____

June 29, 2006

Ontario Ministry of Finance
Corporations Tax Branch
Box 642
33 King Street West
Oshawa, Ontario
L1H 8T1

Dear Sir/Madam:

Re: Oshawa PUC Networks Inc. (Account # 1800157) – December 31, 2005 Taxation Year

The enclosed corporate tax return for Oshawa PUC Networks Inc. ("the taxpayer") indicates a refund due of $419,554. This refund due already reflects the change requested in this letter

The taxpayer hereby requests that the following instalments, representing the amount of the refund above, be transferred to the 2005 account of Oshawa PUC Services Inc. ("PUC Services") (Account # 8114781), while maintaining the effective interest due dates for those instalments:

April 24, 2006 instalment – Amount to be transferred to PUC Services:	$970;
Total instalments transferred to PUC Services	***$970***

Please contact the undersigned if you have any questions or concerns regarding this matter.

Sincerely,
Oshawa PUC Networks Inc.

Michael Chase, Financial Controller
(905) 723-4626

Total Assets (Int.B. 3015R) ***DOLLARS ONLY***

Total Assets per balance sheet	+	420	92,089,000
Mortgages or other liabilities deducted from assets	+	421	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	
Subtract: Investment in partnership(s)/joint venture(s)	−	423	
Total Assets as adjusted	=	430	92,089,000
Amounts in 360 and 361 (if deducted from assets)	+	440	17,937,524
Subtract: Amounts in 371, 372 and 381	−	441	
Subtract: Appraisal surplus if booked	−	442	
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	
Total Assets	=	450	110,026,524

Investment Allowance (410 ÷ 450) x 390 **Not to exceed** 410 = 460 544,725

Taxable Capital 390 − 460 = 470 91,494,337

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 123,974,000

Total Assets (as adjusted) From 430 92,089,000

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: *This version (2006) of the CT23 may only be used for a taxation year that commenced after December 31, 2003.*

Financial Institutions use calculations on page 13.

Important: If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

OR If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year

		Days before Jan. 1, 2005		Total Days				
5,000,000	x	35	÷	73	365	= +	500	
		Days after Dec. 31, 2004 and before Jan. 1, 2006		Total Days				
7,500,000	x	36 365	÷	73	365	= +	501	7,500,000
		Days after Dec. 31, 2005 and before Jan. 1, 2007		Total Days				
10,000,000	x	37	÷	73	365	= +	502	

Taxable Capital Deduction (TCD) 500 + 501 + 502 = 503 7,500,000

SECTION C

This section applies if the corporation is **not** a member of an associated group and/or partnership.

C1. If 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

C2. If Taxable Capital in 470 is **equal to or less than the TCD** in 503, enter NIL in 550 on page 12 and complete the return from that point.

C3. If Taxable Capital in 470 **exceeds the TCD** in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.

\+ From 470 _____

− From 503 _____

= 471 _____ x From 30 100.0000 % (Ontario Allocation) x 0.3 % x Days in taxation year 555 365 / 365 (366 if leap year) *If floating taxation year, refer to Guide.* = + 523 _____

Transfer to 543 *on page 12 and complete the return from that point*

continued on Page 11

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2005-12-31

DOLLARS ONLY

Capital Tax Calculation *continued from Page 10*

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. ☐ 509 (X if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada.

If Taxable Capital 470 on page 10 is equal to or less than the TCD 503 on page 10, enter NIL in 550 on page 12 and complete the return from that point.

If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to **Section E**, enter the TCD amount in 542 in Section E, and complete Section E and the return from that point.

D2. X 524 (X if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do **not** complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 - + From 470 _____ •

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
			+ 531 •
			+ 532 •
			+ 533 •
Aggregate Taxable Capital 470 + 531 + 532 + 533 , etc. - - - - - - - - - - - - - - - - - -			= 540 •

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in 523 in section E on page 12, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From 470 _____ • ÷ From 540 _____ • X From 503 _____ • = 541 _____ •

Transfer to 542 *in Section E on page 12*

Ss.69(2.1) Election Filed

X 591 (X if applicable) **Election filed.** *Attach a copy of Schedule 591 with this CT23 Return.* Proceed to **Section F** on page 12.

continued on Page 12

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Capital Tax Calculation *continued from Page 11*

SECTION E

This section applies if the corporation **is** a member of an associated group and/or partnership whose total **aggregate** Taxable Capital [540] on page 11 exceeds the TCD [503] on page 10.

Complete the following calculation and transfer the amount from [523] to [543], and complete the return from that point.

+	From [470]											
−	[542]											
=	[471]		x	From [30] 100.0000 % Ontario Allocation	x	0.3 %	x	[555] 365 / * 365 (366 if leap year) Days in taxation year	- - - - - - - -	= +	[523]	**Total Capital Tax for the taxation year**

Transfer to [543] *and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+	From [470]	91,494,337	x	From [30] 100.0000 % Ontario Allocation	x	0.3 %	- - - - - - - - - - - -	= +	[561]	274,483		
−	Capital tax deduction from [995] relating to **your corporation's** Capital Tax deduction, on Schedule 591						- -	−	From [995]	19,100		
=								=	[562]	255,383		

Capital Tax	- - - - - - - -	[562]	255,383	x	[555] 365 / * 365 (366 if leap year) Days in taxation year	- - - - -	=	[563]	255,383	**Total Capital Tax for the taxation year**

Transfer to [543] *and complete the return from that point*

* *If floating taxation year, refer to Guide.*

Capital Tax before application of specified credits	- - - - - - - - - - - - - - - - - - - -	=	[543] 255,383
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	- - - - - - - - - -	−	[546]
Capital Tax [543] − [546] *(amount cannot be negative)*	- - - - - - - - - - - - - - - - - - - -	=	[550] 255,383

Transfer to Page 17

continued on Page 13

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2005-12-31

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

1.1 Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] _____ (Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1) x 0.6 % x From [30] 100.0000 % (Ontario Allocation) x [555] 365 ÷ * 365 (366 if leap year) = + [569] _____

[570] _____ (Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount) x [571] _____ (Capital Tax Rate *(Refer to Guide)*) x From [30] 100.0000 % (Ontario Allocation) x [555] 365 ÷ * 365 (366 if leap year) = + [574] _____

Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section 2) [569] + [574] = [575] _____

** If floating taxation year, refer to Guide.*

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments - - -

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1 ± 600 5,281,896 .
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	2,990,678 .
Federal cumulative eligible capital deduction	+ 602	.
Ontario taxable capital gain	+ 603	.
Federal non-allowable reserves. Balance beginning of year	+ 604	7,819,342 .
Federal allowable reserves. Balance end of year	+ 605	.
Ontario non-allowable reserves. Balance end of year	+ 606	8,387,075 .
Ontario allowable reserves. Balance beginning of year	+ 607	.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	.
Federal resource allowance *(Refer to Guide)*	+ 609	.
Federal depletion allowance	+ 610	.
Federal foreign exploration and development expenses	+ 611	.
All Crown charges, royalties, rentals, etc. deducted for Federal purposes *(Refer to Guide)*	+ 617	.

Management fees, rents, royalties and similar payments to non-arms' length non-residents ▼

Number of Days in Taxation Year

612 _____ . x 5 / 12.5 x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 _____ ÷ Total Days: 73 365) =+ 633 _____ .

612 _____ . x 5 / 14 x (Days after Dec. 31, 2003: 34 365 ÷ Total Days: 73 365) =+ 634 _____ .

Total add-back amount for Management fees, etc. 633 + 634 = _____ . ▶ + 613 .

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 Schedule 161 + 615 .

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 .

Federal allowable business investment loss + 620 .

Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* + 614 .

Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 = 19,197,095 . ▶ 640 19,197,095 .
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	2,990,678 .
Ontario cumulative eligible capital deduction	+ 651	.
Federal taxable capital gain	+ 652	.
Ontario non-allowable reserves. Balance beginning of year	+ 653	7,819,342 .
Ontario allowable reserves. Balance end of year	+ 654	.
Federal non-allowable reserves. Balance end of year	+ 655	8,387,075 .
Federal allowable reserves. Balance beginning of year	+ 656	.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	.
Ontario depletion allowance	+ 658	.
Ontario resource allowance *(Refer to Guide)*	+ 659	.
Ontario current cost adjustment *(Attach schedule)*	+ 661	.
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	.

Subtotal of deductions for this page 650 to 659 + 661 + 675 681 19,197,095 .
Transfer to Page 15

continued on Page 15

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2005-12-31

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1 - - - - - - - - - - - - - - - - From ± 600 5,281,896 •

Total of Additions on page 14 - From = 640 19,197,095 •

Sub Total of deductions on page 14 - From = 681 19,197,095 •

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year - - - 662 •

ONTTI Gross-up deduction calculation:

Gross-up of CCA

From 662 • x 100 / From 30 100.0000 (Ontario Allocation) − From 662 • = 663 •

Workplace Child Care Tax Incentive (WCCT)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: 665 • x 30 % x 100 / From 30 100.0000 (Ontario allocation) = 666 •

Workplace Accessibility Tax Incentive (WATI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: 667 • x 100 % x 100 / From 30 100.0000 (Ontario allocation) = 668 •

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI)
(***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: 670 • x 30 % x 100 / From 30 100.0000 (Ontario allocation) = 671 •

Educational Technology Tax Incentive (ETTI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: 672 • x 15 % x 100 / From 30 100.0000 (Ontario allocation) = 673 •

Ontario allowable business investment loss - - - - - - - - - - - - - - + 678 •

Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161 + 679 •

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) - - - - - - - - - + 677 •

Total of other deductions allowed by Ontario *(Attach schedule)* - - - - - - - - + 664 •

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 19,197,095 • ▶ 680 19,197,095 •

Net income (loss) for Ontario Purposes 600 + 640 − 680 - - - - - - - - - - - - - - - - - - = 690 5,281,896 •

Transfer to Page 4

Page 736

Continuity of Losses Carried Forward

DOLLARS ONLY

		Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year		700 (2)	710 (2)	720 (2)	730	740	750
Add:	Current year's losses (7)	701	711	721	731	741	751
	Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal		703	713	723	733	743	753
Subtract:	Utilized during the year to reduce taxable income	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
	Expired during the year	705		725	735	745	
	Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
Subtotal		707	717	727	737	747	757
Balance at End of Year		709 (8)	719	729	739	749	759

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day		Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800	9th preceding taxation year 1997-09-30	817 (9)	860 (9)		850	870
801	8th preceding taxation year 1998-09-30	818 (9)	861 (9)		851	871
802	7th preceding taxation year 1999-09-30	819 (9)	862 (9)		852	872
803	6th preceding taxation year 2000-09-30	820	830	840	853	873
804	5th preceding taxation year 2001-09-30	821	831	841	854	874
805	4th preceding taxation year 2001-12-31	822	832	842	855	875
806	3rd preceding taxation year 2002-12-31	823	833	843	856	876
807	2nd preceding taxation year 2003-12-31	824	834	844	857	877
808	1st preceding taxation year 2004-12-31	825	835	845	858	878
809	Current taxation year 2005-12-31	826	836	846	859	879
Total		829	839	849	869	889

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	1800157	2005-12-31

DOLLARS ONLY

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance.**
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / Taxation Year Ending year month day				
i) 3rd preceding — 901 — 2002-12-31	911	921	931	941
ii) 2nd preceding — 902 — 2003-12-31	912	922	932	942
iii) 1st preceding — 903 — 2004-12-31	913	923	933	943
Total loss to be carried back	From 706	From 716	From 726	From 736
Balance of loss available for carry-forward	919	929	939	949

Summary

Income Tax	+ From 230 or	320	739,465
Corporate Minimum Tax	+ From	280	
Capital Tax	+ From	550	255,383
Premium Tax	+ From	590	
Total Tax Payable	=	950	994,848
Subtract: Payments	−	960	1,414,402
Capital Gains Refund (s.48)	−	965	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	−	985	
Specified Tax Credits *(Refer to Guide)*	−	955	
Other, specify _____	−		
Balance	=	970	-419,554
If payment due — Enclosed *		990	
If overpayment: Refund *(Refer to Guide)*	=	975	419,554
Apply to (year month day)		980	*(includes credit interest)*

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name *(please print)*

Michael Chase

Title

Controller

Full Residence Address

Signature	Date
	2006-06-29

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Attached Schedule with Total

Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations

Title Non-deductible reserves

Description	Amount
Employee future benefits	7,797,170 00
Employee sick leave benefits	244,905 00
Deferred Income	345,000 00
Total	8,387,075 00

Page 739

Attached Schedule with Total

Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)

Title UCC vs NBV

Description	Amount
UCC per Ont Sch. 8	58,923,563 00
NBV per F/S	-44,757,354 00
less: land	111,428 00
less: WIP	2,654,698 00
less: ARO	55,000 00
less: Capitalized Interest	950,189 00
Total	17,937,524 00

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporate Minimum Tax (CMT)

CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2005-12-31

Part 1: Calculation of CMT Base

Banks – Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Life insurance corporations – Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net Income/Loss (unconsolidated, determined in accordance with GAAP)	±	2100	3,103,000

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes	+	2101	
Provision for deferred income taxes (credits) / benefit of future income taxes	+	2102	
Equity income from corporations	+	2103	
Share of partnership(s)/joint venture(s) income	+	2104	
Dividends received/receivable deductible under fed.s.112	+	2105	
Dividends received/receivable deductible under fed.s.113	+	2106	
Dividends received/receivable deductible under fed.s.83(2)	+	2107	
Dividends received/receivable deductible under fed.s.138(6)	+	2108	
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) (x 3)	+	2109	
Subtotal	=		– 2110

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes	+	2111	2,330,000
Provision for deferred income taxes (debits) / cost of future income taxes	+	2112	
Equity losses from corporations	+	2113	
Share of partnership(s)/joint venture(s) losses	+	2114	
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+	2115	
Subtotal	=	2,330,000	+ 2116 2,330,000

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	+	2117	or –	2118	
** Fed.s.85.1	+	2119	or –	2120	
** Fed.s.97	+	2121	or –	2122	
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	+	2123	or –	2124	
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	+	2125	or –	2126	
** Amounts relating to s.57.10 election/ regulations for replacement re fed.s13(4), 14(6) and 44 for current/prior years	+	2127	or –	2128	
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income			–	2150	
Subtotal (Additions)	=				+ 2129
Subtotal (Subtractions)	=				– 2130
** Other adjustments					± 2131
Subtotal ± 2100 – 2110 + 2116 + 2129 – 2130 ± 2131					= 2132 5,433,000
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss					± 2133
Adjusted net income (loss) (if loss, transfer to 2202 in ***Part 2: Continuity of CMT Losses Carried Forward.***)					= 2134 5,433,000
Deduct: * CMT losses: pre-1994 Loss	+ From	2210			
* CMT losses: other eligible losses	+	2211			
	=				– 2135

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this schedule.*

CMT Base	=	2136	5,433,000

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporate Minimum Tax (CMT)

CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2005-12-31

Part 2: Continuity of CMT Losses Carried Forward

Balance at Beginning of year NOTES (1), (2)				+ 2201	
Add:	Current year's losses	+ 2202			
	Losses from predecessor corporations on amalgamation NOTE (3)	+ 2203			
	Losses from predecessor corporations on wind-up NOTE (3)	+ 2204			
	Amalgamation (X) 2205 ☐ Yes Wind-up (X) 2206 ☐ Yes				
Subtotal		=	▶	+ 2207	
Adjustments (attach schedule)				± 2208	
CMT losses available	2201 + 2207 ± 2208			= 2209	
Subtract:	Pre-1994 loss utilized during the year to reduce adjusted net income	+ 2210			
	Other eligible losses utilized during the year to reduce adjusted net income NOTE (4)	+ 2211			
	Losses expired during the year	+ 2212			
Subtotal		=	▶	− 2213	
Balances at End of Year NOTE (5)	2209 − 2213			= 2214	

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occured, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2134 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1997-09-30	2260	2280
2241	8th preceding taxation year 1998-09-30	2261	2281
2242	7th preceding taxation year 1999-09-30	2262	2282
2243	6th preceding taxation year 2000-09-30	2263	2283
2244	5th preceding taxation year 2001-09-30	2264	2284
2245	4th preceding taxation year 2001-12-31	2265	2285
2246	3rd preceding taxation year 2002-12-31	2266	2286
2247	2nd preceding taxation year 2003-12-31	2267	2287
2248	1st preceding taxation year 2004-12-31	2268	2288
2249	Current taxation year 2005-12-31	2269	2289
Totals		2270	2290

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214.

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2005-12-31

Part 4: Continuity of CMT Credit Carryovers

Balance at Beginning of year NOTE (1) . . . . . + 2301

Add: Current year's CMT Credit (280 on page 8 of the CT23 or 347 on page 6 of the CT8. If negative, enter NIL) + From 280 or 347

Gross Special Additional Tax NOTE (2) 312 on page 5 of CT8. (Life Insurance corporations only. Others enter NIL.) . . . . . + From 312

Subtract Income Tax (190 on page 6 of the CT23 or page 4 of the CT8) . . . . . – From 190

Subtotal (If negative, enter NIL) . . . = ▶ – 2305

Current year's CMT credit (If negative, enter NIL) 280 or 347 – 2305 . . . = ▶ + 2310

CMT Credit Carryovers from predecessor corporations NOTE (3) . . . . . + 2325

Amalgamation (X) 2315 ☐ Yes Wind-up (X) 2320 ☐ Yes

Subtotal 2301 + 2310 + 2325 . . . . . = 2330

Adjustments *(Attach schedule)* . . . . . ± 2332

CMT Credit Carryover available 2330 ± 2332 . . . . . = 2333

Transfer to Page 8 of the CT23 or Page 6 of the CT8

Subtract: CMT Credit utilized during the year to reduce income tax (310 on page 8 of the CT23 or 351 on page 6 of the CT8.) + From 310 or 351

CMT Credit expired during the year . . . . . + 2334

Subtotal . . . . . = ▶ – 2335

Balances at End of Year NOTE (4) 2333 – 2335 . . . . . = 2336

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).

(3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(4) Amount in 2336 must equal sum of 2370 + 2390 .

Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	9th preceding taxation year 1997-09-30	2360	2380
2341	8th preceding taxation year 1998-09-30	2361	2381
2342	7th preceding taxation year 1999-09-30	2362	2382
2343	6th preceding taxation year 2000-09-30	2363	2383
2344	5th preceding taxation year 2001-09-30	2364	2384
2345	4th preceding taxation year 2001-12-31	2365	2385
2346	3rd preceding taxation year 2002-12-31	2366	2386
2347	2nd preceding taxation year 2003-12-31	2367	2387
2348	1st preceding taxation year 2004-12-31	2368	2388
2349	Current taxation year 2005-12-31	2369	2389
Totals		2370	2390

The sum of amounts 2370 + 2390 ***must equal amount in*** 2336 .

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2005-12-31

CMT Losses Carried Forward Workchart

(i) Continuity of Pre-1994 CMT Losses

Date of the last tax year end before the corp's 1st tax year commencing after 1993	Corporation's Pre-1994 Loss	Predecessors' Pre-1994 Loss Amalgamation	Predecessors' Pre-1994 Loss Wind-Up
Pre-1994 Loss (per schedule)			
Less: Claimed in prior taxation years commencing after 1993			
Pre-1994 Loss available for the current year			
Less: Deducted in the current year (max. = adj. net income for the year)			
Expired after 10 years			
Pre-1994 Loss Carryforward			

(ii) Continuity of Other Eligible CMT Losses – Filing Corporation (for losses occurring in tax years commencing after 1993)

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1996-09-30					
9th Prior Year	1997-09-30					
8th Prior Year	1998-09-30					
7th Prior Year	1999-09-30					
6th Prior Year	2000-09-30					
5th Prior Year	2001-09-30					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
	Total					

Predecessor Corporations Only – Amalgamation

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name		Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	PILs	1800157	2005-12-31

CMT Losses Carried Forward Workchart (continued)

Predecessor Corporations Only – Wind-Up

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name		Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc.	PILs	1800157	2005-12-31

CMT Credit Carryovers Workchart

Filing Corporation

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1996-09-30					
9th Prior Year	1997-09-30					
8th Prior Year	1998-09-30					
7th Prior Year	1999-09-30					
6th Prior Year	2000-09-30					
5th Prior Year	2001-09-30					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
	Total					

Predecessor Corporations Only – Amalgamation

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Predecessor Corporations Only – Wind-Up

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2005-12-31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

Due to City of Oshawa	+	23,064,000
Customer deposits	+	3,790,427
Other (Development Fund)	+	351,167
Deferred revenue	+	7,192
LT Debt - TD Bank	+	7,000,000
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
Total *Transfer to* 353 *of the CT23*	=	34,212,786

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

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PO Box 620
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Oshawa ON L1H 8E9

Ontario Capital Cost Allowance
Schedule 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2005-12-31

Is the corporation electing under regulation 1101(5q)? 1 ☐ Yes 2 ☒ No

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	56,202,824	3,091,067		0	59,293,891	1,545,534	57,748,357	4	0	0	2,309,934	56,983,957
8	532,036	173,256		0	705,292	86,628	618,664	20	0	0	123,733	581,559
10	1,411,423			0	1,411,423		1,411,423	30	0	0	423,427	987,996
42	83,268			0	83,268		83,268	12	0	0	9,992	73,276
12	8,050	58,650		0	66,700	29,325	37,375	100	0	0	37,375	29,325
13	16,081			0	16,081		16,081	N/A	0	0	9,200	6,881
13	6,061			0	6,061		6,061	N/A	0	0	2,424	3,637
45		366,962		35,437	331,525	165,763	165,762	45	0	0	74,593	256,932
Totals	58,259,743	3,689,935		35,437	61,914,241	1,827,250	60,086,991				2,990,678	58,923,563

Enter in boxes 650 . . . . 650 . . . . 650 on the CT23.

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

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Oshawa ON L1H 8E9

Ontario Continuity of Reserves
Schedule 13

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2005-12-31

For use by a corporation to provide a continuity of all reserves claimed which are allowed for tax purposes.

Part 1 – Capital gains reserves

	Description of property	Ontario balance at the beginning of the year $	Transfer on amalgamation or wind-up of subsidiary $	Add	Deduct	Ontario balance at the end of the year $
1						
	Totals	**A**	**B**			**C**

The total capital gains reserve at the beginning of the taxation year **A** plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary **B**, should be entered on Schedule 6; and the total capital gains reserve at the end of the taxation year **C**, should also be entered on Schedule 6.

Part 2 – Other reserves

Description	Ontario balance at the beginning of the year $	Transfer on amalgamation or wind-up of subsidiary $	Add	Deduct	Ontario balance at the end of the year $
Reserve for doubtful debts					
Reserve for undelivered goods and services not rendered					
Reserve for prepaid rent					
Reserve for December 31, 1995 income					
Reserve for refundable containers					
Reserve for unpaid amounts					
Other tax reserves					
Totals	**D**	**E**			**F**

The amount from **D** plus the amount from **E** should be entered in 607 of the CT23.
The amount from **F** should be entered in 654 of the CT23.

Part 3 – Continuity of non-deductible reserves

Reserve	Ontario opening balance	Transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
Employee future benefits	7,444,370		352,800			7,797,170
Employee sick leave benefits	274,972			30,067		244,905
Environmental provision	100,000			100,000		
Deferred Income			345,000			345,000
Reserves from Part 2						
Totals	7,819,342		697,800	130,067		8,387,075

Enter in box 653 *of the CT23* — *Enter in box* 606 *of the CT23*

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Ontario

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Corporations Tax Branch
33 King Street West
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Oshawa ON L1H 8E9

2005 Capital Tax Election of Associated Group Agreement for Allocation of Taxable Capital Deduction (TCD)

CT23 SCHEDULE 591

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Oshawa PUC Networks Inc. PILs	1800157	2005-12-31

The following associated group of corporations includes all the corporations in this associated group (excluding financial institutions and corporations exempt from capital tax) having a permanent establishment in Canada and are hereby making an election under subsection 69(2.1) of the *Corporation Tax Act* to allocate the tax effect of the group's taxable capital deduction (TCD) as calculated in section B on page 10 of the CT23 for all taxation years which end in the 2005 calendar year, based on each corporation's total assets and Ontario allocation factor from each corporation's last taxation year ending in the 2004 calendar year.

Applies to taxation years ending in the 2005 calendar year.

Corporation having a permanent establishment in Canada	Last taxation year ending in 2004 calendar year	Ontario Allocation **A**	Total Assets **T**	Net Deduction **A x [TE x (T+X)] ND**	Allocation of Net Deduction **AND**
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
1800157	2004-12-31	100.0000	78,382,000	17,186	19,100
Corporation Name: Oshawa PUC Networks Inc. PILs					
Tax Effect (TE) of Taxable Capital Deduction: **TCD** From CT23, Page 10, Section B 503 7,500,000 x 0.3 % = **TE** 22,500					
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
1800156	2004-12-31	100.0000	23,122,883	5,070	430
Corporation Name: OSHAWA POWER AND UTILITIES CORPORATION					
Tax Effect (TE) of Taxable Capital Deduction: **TCD** From CT23, Page 10, Section B 503 7,500,000 x 0.3 % = **TE** 22,500					
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
8114793	2004-12-31	100.0000	1,049		
Corporation Name: OSHAWA PUC ENERGY SERVICES INC.					
Tax Effect (TE) of Taxable Capital Deduction: **TCD** From CT23, Page 10, Section B 503 7,500,000 x 0.3 % = **TE** 22,500					
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
8114781	2004-12-31	100.0000	1,115,031	244	2,970
Corporation Name: OSHAWA PUC SERVICES INC.					
Tax Effect (TE) of Taxable Capital Deduction: **TCD** From CT23, Page 10, Section B 503 7,500,000 x 0.3 % = **TE** 22,500					
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
Corporation Name					
Tax Effect (TE) of Taxable Capital Deduction: **TCD** From CT23, Page 10, Section B 503 x % = **TE**					

If insufficient space, attach list.

Total Assets of Associated Group having permanent establishments in Canada **X** 102,620,963 959

Total Net Deductions of Associated Group having permanent establishments in Canada . . . **TND** 22,500 994

Total Allocated Net Deductions of Associated Group having permanent establishments in Canada . . . . . **TAND** 22,500

EB-2007-0710
Board Staff Interrogatories
OPUCN Response

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200

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, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

Identification

Business Number (BN) 001 89172 5210 RC0001

Corporation's name

002 Oshawa PUC Networks Inc. PILs

Has the corporation changed its name since the last time we were notified? 003 1 Yes ☐ 2 No ☒

If *Yes*, do you have a copy of the articles of amendment? . . . 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? . . . . . 010 1 Yes ☐ 2 No ☒

011 100 Simcoe Street South
012

City	Province, territory, or state
015 Oshawa	016 ON
Country (other than Canada)	**Postal code/Zip code**
017	018 L1H 7M7

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? . . . . . 020 1 Yes ☐ 2 No ☒

021 c/o
022
023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/Zip code**
027	028

Location of books and records

Has the location of books and records changed since the last time we were notified? . . . . . 030 1 Yes ☐ 2 No ☒

031 100 Simcoe Street South
032

City	Province,territory, or state
035 Oshawa	036 ON
Country (other than Canada)	**Postal code/Zip code**
037	038 L1H 7M7

040 **Type of corporation at the end of the taxation year**

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

If the type of corporation changed during the taxation year, provide the effective date of the change . . . . . 043 ____ YYYY MM DD

To which taxation year does this return apply?

Taxation year start	Taxation year end
060 2005-01-01 YYYY MM DD	061 2005-12-31 YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If *Yes*, provide the date control was acquired . . . . . 065 ____ YYYY MM DD

Is the corporation a professional corporation that is a member of a partnership? . . . . . 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? . . . . . 070 1 Yes ☐ 2 No ☒
Amalgamation? . . . . . 071 1 Yes ☐ 2 No ☒

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

Has there been a windup of a subsidiary under section 88 during the current taxation year? . . . . . 072 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? . . . . . 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? . . . . . 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 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 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 91.

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

085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096

Attachments

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

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Does the corporation have any non-resident shareholders?	151		19
Is the corporation an associated Canadian-controlled private corporation?	160	X	23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
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	X	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	X	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which a partnership identification 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?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
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
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 to Canada, a province, or a territory; or gifts of cultural or ecological property?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming reserves of any kind?	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 an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
Is the corporation claiming a surtax credit?	237		37
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
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
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 refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax?	255		92 *

*** We do not print this schedule.**

APPENDIX D E

COST ALLOCATION STUDY RUN #2

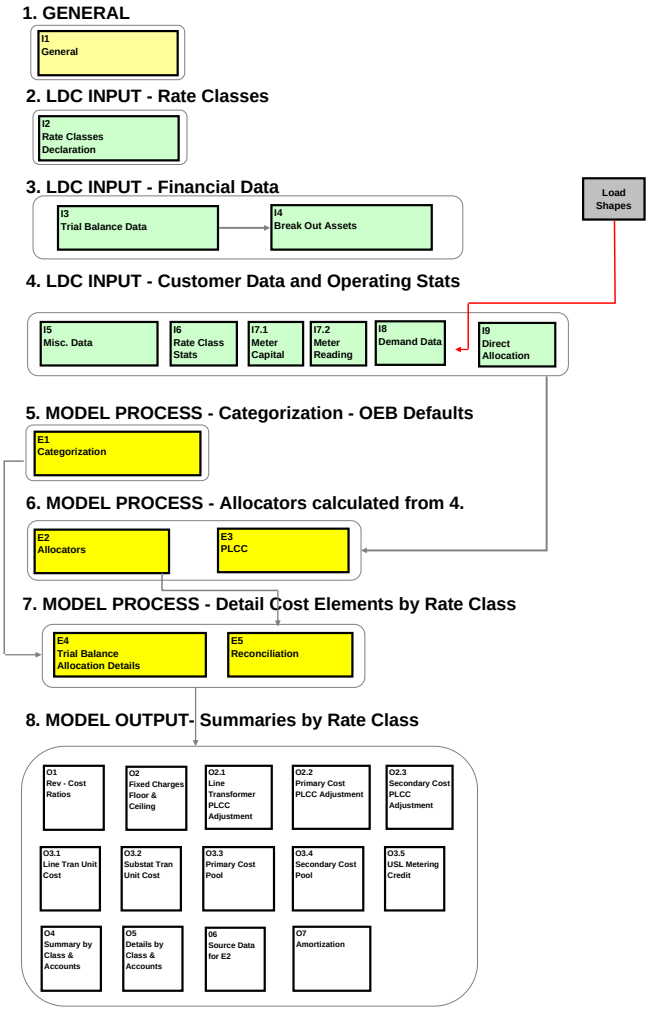
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**Please Note: Colour Coding Legend **

Input Cells	
Output Cells	
Exhibition	
Brought Forward	Brought Forward
Calculation	Calculation
Default Numbers	
Diagnostic	

Brief Description of Each Worksheet's Function

INPUTS	I1	Intro	Brief explanation of what the pages do.
	I2	LDC data and Classes	Enter LDC specific information and number of classes etc
	I3	TB Data	Balance from approved 2006 EDR Trial Balance
	I4	BO ASSETS	Break out assets into detail functions - bulk deliver, primary and secondary
	I5	Misc Data	Input for miscellaneous data where necessary - TBD
	I6	Customer Data	Input customer related data for generating customer allocators
	I7.1	Meter Capital	Input meter related data for calculating capital costs weighing factors
	I7.2	Meter Reading	Input meter related data for calculating meter reading weighing factors
	I8	Demand Data	Input demand allocators using load data and making LDC specific adjustments
	I9	Direct Allocation	
OUTPUTS	O1	Revenue to cost	Output showing revenue to cost ratios, inter class subsidy etc.
	O2	Fixed Charge	Output showing the range for the Basic Customer charge - TBD
	O2.1	Line Transformer PLCC Adjustment	
	O2.2	Primary Cost PLCC Adjustment	
	O2.3	Secondary Cost PLCC Adjustment	
	O3.1	Line Tran Unit Cost	
	O3.2	Substat Tran Unit Cost	
	O3.3	Primary Cost Pool	
	O3.4	Secondary Cost Pool	
	O3.5	USL Metering Credit	
	O4	Summary by Class	Output showing summary of all allocation by class and by US of A
	O5	Detail by Class	Output showing details of individual allocation by class and by USofA
	O6	Source Data for E2	
	O7	Amortization	
EXHIBITS	E1	Categorization	Exhibit showing how costs are categorized
	E2	Allocation Factors	Exhibit summarizing all allocation factors created in I5 to I8 and present the findings in percentages
	E3	PLCC	Backup documentation for calculating Peak Load Carrying Capability.
	E4	Trial Balance Index	Exhibit showing 1. how accounts are grouped for reporting, how accounts are categorized and how accounts are allocated
	E5	Reconciliation	Exhibit showing reconciliation of accounts included and excluded from the allocation study to TB balance



Ontario

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet I2 Class Selection - Second Run

Instructions:

Step 1: Pleae input your existing classes

Step 2: If this is your first run, select "First Run" in the drop-down menu below

Step 3: After all classes have been entered, Click the "Update" button in row E41

Click for Drop-Down Menu →

Second Run	If desired, provide a summary of this run (40 characters max.)

		Utility's Class Definition	Current
1	Residential	Residential (R1)	YES
2	GS <50	GS <50 (C1)	YES
3	GS>50 kW < 200 kW	GS>50 kW < 200 kW (I1)	YES
4	GS>200 kW < 1000 kW	GS>200 kW < 1000 kW (I4)	YES
5	GS>1000 kW < 5000 kW (Intermediate)	GS>1000 kW < 5000 kW (I2 - Intermediate)	YES
6	Large Use >5MW	Large Use >5MW (I3)	YES
7	Street Light	Street Light	YES
8	Sentinel	Sentinel	YES
9	Unmetered Scattered Load	Unmetered Scattered Load (USL)	YES
10	Embedded Distributor		NO
11	Back-up/Standby Power		NO
12	Rate Class 1		NO
13	Rate class 2		NO
14	Rate class 3		NO
15	Rate class 4		NO
16	Rate class 5		NO
17	Rate class 6		NO
18	Rate class 7		NO
19	Rate class 8		NO
20	Rate class 9		NO

Update

** **Space available for additional information about this run**

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet I3 Trial Balance Data - Second Run

Instructions:

Step 1: Copy 2006 EDR Trial Balance values (Sheet 2-4, Column P17 to P446) to Column D21 of this worksheet. Use the Edit - *Paste Special - Values* function.

Step 2: Enter the amounts needed to be reclassified to column F.

Step 3: Enter Target Net Income from approved EDR (Sheet 4-1, cell F23)

Step 4: Enter PILs from approved EDR (Sheet 4-2, cell E15)

Step 5: Enter Interest from approved EDR (Sheet 4-1, cell F21)

Step 6: Enter specific service charges offset from approved EDR (Sheet 5-5, cell D19)

Step 7: Enter Transformation Ownership Allowance Credit from approved EDR (Sheet 6-3, cell R120)

Step 8: Enter Low Voltage Wheeling Adjustment Credit from approved EDR (Sheet ADJ 3, cell F46)

Step 9: Enter Revenue Requirement from approved EDR (Sheet 5-1, cell F22)

Step 10: Enter Total Rate Base from approved EDR (Sheet 3-1, cell F21)

Step 11: Enter Directly Allocated amounts into column G.

Approved Target Net Income ($)	$2,383,649		
Approved PILs ($)	$2,075,321		
Approved Interest ($)	$1,920,162		
Approved Specific Service Charges ($)	$406,857		
Approved Transformer Ownership Allowance ($)	$289,348		
Approved Low Voltage Wheeling Adjustment ($)	$0		
Approved Revenue Requirement ($)	$18,610,967	**From this Sheet**	
Revenue Requirement to be Used in this model ($)	$18,900,315	**$18,900,315**	
Approved Rate Base ($)	$52,969,980		
Rate Base to be Used in this model ($)	$53,013,382	**$53,013,382**	

Uniform System of Accounts - Detail Accounts

USoA Account #	Accounts		Financial Statement (EDR Sheet 2.4, Column P)	Model Adjustments	Reclassify accounts	Direct Allocation
1005	Cash					
1010	Cash Advances and Working Funds					
1020	Interest Special Deposits					
1030	Dividend Special Deposits					
1040	Other Special Deposits					
1060	Term Deposits					
1070	Current Investments					
1100	Customer Accounts Receivable					
1102	Accounts Receivable - Services					
1104	Accounts Receivable - Recoverable Work					
1105	Accounts Receivable - Merchandise, Jobbing, etc.					
1110	Other Accounts Receivable					
1120	Accrued Utility Revenues					
1130	Accumulated Provision for Uncollectible Accounts--Credit					
1140	Interest and Dividends Receivable					
1150	Rents Receivable					

1170	Notes Receivable				
1180	Prepayments				
1190	Miscellaneous Current and Accrued Assets				
1200	Accounts Receivable from Associated Companies				
1210	Notes Receivable from Associated Companies				
1305	Fuel Stock				
1330	Plant Materials and Operating Supplies				
1340	Merchandise				
1350	Other Materials and Supplies				
1405	Long Term Investments in Non-Associated Companies				
1408	Long Term Receivable - Street Lighting Transfer				
1410	Other Special or Collateral Funds				
1415	Sinking Funds				
1425	Unamortized Debt Expense				
1445	Unamortized Discount on Long-Term Debt--Debit				
1455	Unamortized Deferred Foreign Currency Translation Gains and Losses				
1460	Other Non-Current Assets				
1465	O.M.E.R.S. Past Service Costs				
1470	Past Service Costs - Employee Future Benefits				
1475	Past Service Costs - Other Pension Plans				
1480	Portfolio Investments - Associated Companies				
1485	Investment in Associated Companies - Significant Influence				
1490	Investment in Subsidiary Companies				
1505	Unrecovered Plant and Regulatory Study Costs				
1508	Other Regulatory Assets				
1510	Preliminary Survey and Investigation Charges				
1515	Emission Allowance Inventory				
1516	Emission Allowances Withheld				
1518	RCVARetail				
1520	Power Purchase Variance Account				
1525	Miscellaneous Deferred Debits				
1530	Deferred Losses from Disposition of Utility Plant				
1540	Unamortized Loss on Reacquired Debt				
1545	Development Charge Deposits/ Receivables				
1548	RCVASTR				
1560	Deferred Development Costs				
1562	Deferred Payments in Lieu of Taxes				
1563	Account 1563 - Deferred PILs Contra Account				
1565	Conservation and Demand Management Expenditures and Recoveries				
1570	Qualifying Transition Costs				
1571	Pre-market Opening Energy Variance				
1572	Extraordinary Event Costs				
1574	Deferred Rate Impact Amounts				
1580	RSVAWMS				
1582	RSVAONE-TIME				
1584	RSVANW				
1586	RSVACN				
1588	RSVAPOWER				
1590	Recovery of Regulatory Asset Balances				
1605	Electric Plant in Service - Control Account				
1606	Organization				
1608	Franchises and Consents				
1610	Miscellaneous Intangible Plant				
1615	Land				
1616	Land Rights				
1620	Buildings and Fixtures				
1630	Leasehold Improvements				
1635	Boiler Plant Equipment				
1640	Engines and Engine-Driven Generators				
1645	Turbogenerator Units				
1650	Reservoirs, Dams and Waterways				
1655	Water Wheels, Turbines and Generators				
1660	Roads, Railroads and Bridges				
1665	Fuel Holders, Producers and Accessories				
1670	Prime Movers				
1675	Generators				
1680	Accessory Electric Equipment				
1685	Miscellaneous Power Plant Equipment				
1705	Land				
1706	Land Rights				
1708	Buildings and Fixtures				
1710	Leasehold Improvements				
1715	Station Equipment				
1720	Towers and Fixtures				
1725	Poles and Fixtures				
1730	Overhead Conductors and Devices				

1735	Underground Conduit				
1740	Underground Conductors and Devices				
1745	Roads and Trails				
1805	Land				($125,000)
1806	Land Rights				
1808	Buildings and Fixtures				
1810	Leasehold Improvements				
1815	Transformer Station Equipment - Normally Primary above 50 kV				$475,000
1820	Distribution Station Equipment - Normally Primary below 50 kV				($350,000)
1825	Storage Battery Equipment				
1830	Poles, Towers and Fixtures				
1835	Overhead Conductors and Devices				
1840	Underground Conduit				
1845	Underground Conductors and Devices				
1850	Line Transformers				
1855	Services				
1860	Meters				
1865	Other Installations on Customer's Premises				
1870	Leased Property on Customer Premises				
1875	Street Lighting and Signal Systems				
1905	Land				
1906	Land Rights				
1908	Buildings and Fixtures				
1910	Leasehold Improvements				
1915	Office Furniture and Equipment				
1920	Computer Equipment - Hardware				
1925	Computer Software				
1930	Transportation Equipment				
1935	Stores Equipment				
1940	Tools, Shop and Garage Equipment				
1945	Measurement and Testing Equipment				
1950	Power Operated Equipment				
1955	Communication Equipment				
1960	Miscellaneous Equipment				
1965	Water Heater Rental Units				
1970	Load Management Controls - Customer Premises				
1975	Load Management Controls - Utility Premises				
1980	System Supervisory Equipment				
1985	Sentinel Lighting Rental Units				
1990	Other Tangible Property				
1995	Contributions and Grants - Credit				
2005	Property Under Capital Leases				
2010	Electric Plant Purchased or Sold				
2020	Experimental Electric Plant Unclassified				
2030	Electric Plant and Equipment Leased to Others				
2040	Electric Plant Held for Future Use				
2050	Completed Construction Not Classified--Electric				
2055	Construction Work in Progress--Electric				
2060	Electric Plant Acquisition Adjustment				
2065	Other Electric Plant Adjustment				
2070	Other Utility Plant				
2075	Non-Utility Property Owned or Under Capital Leases				
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment				
2120	Accumulated Amortization of Electric Utility Plant - Intangibles				
2140	Accumulated Amortization of Electric Plant Acquisition Adjustment				
2160	Accumulated Amortization of Other Utility Plant				
2180	Accumulated Amortization of Non-Utility Property				
2205	Accounts Payable				
2208	Customer Credit Balances				
2210	Current Portion of Customer Deposits				
2215	Dividends Declared				
2220	Miscellaneous Current and Accrued Liabilities				
2225	Notes and Loans Payable				
2240	Accounts Payable to Associated Companies				
2242	Notes Payable to Associated Companies				
2250	Debt Retirement Charges(DRC) Payable				
2252	Transmission Charges Payable				
2254	Electrical Safety Authority Fees Payable				
2256	Independent Market Operator Fees and Penalties Payable				
2260	Current Portion of Long Term Debt				
2262	Ontario Hydro Debt - Current Portion				
2264	Pensions and Employee Benefits - Current Portion				
2268	Accrued Interest on Long Term Debt				
2270	Matured Long Term Debt				

2272	Matured Interest on Long Term Debt				
2285	Obligations Under Capital Leases--Current				
2290	Commodity Taxes				
2292	Payroll Deductions / Expenses Payable				
2294	Accrual for Taxes, Payments in Lieu of Taxes, Etc.				
2296	Future Income Taxes - Current				
2305	Accumulated Provision for Injuries and Damages				
2306	Employee Future Benefits				
2308	Other Pensions - Past Service Liability				
2310	Vested Sick Leave Liability				
2315	Accumulated Provision for Rate Refunds				
2320	Other Miscellaneous Non-Current Liabilities				
2325	Obligations Under Capital Lease--Non-Current				
2330	Development Charge Fund				
2335	Long Term Customer Deposits				
2340	Collateral Funds Liability				
2345	Unamortized Premium on Long Term Debt				
2348	O.M.E.R.S. - Past Service Liability - Long Term Portion				
2350	Future Income Tax - Non-Current				
2405	Other Regulatory Liabilities				
2410	Deferred Gains from Disposition of Utility Plant				
2415	Unamortized Gain on Reacquired Debt				
2425	Other Deferred Credits				
2435	Accrued Rate-Payer Benefit				
2505	Debentures Outstanding - Long Term Portion				
2510	Debenture Advances				
2515	Reacquired Bonds				
2520	Other Long Term Debt				
2525	Term Bank Loans - Long Term Portion				
2530	Ontario Hydro Debt Outstanding - Long Term Portion				
2550	Advances from Associated Companies				
3005	Common Shares Issued				
3008	Preference Shares Issued				
3010	Contributed Surplus				
3020	Donations Received				
3022	Development Charges Transferred to Equity				
3026	Capital Stock Held in Treasury				
3030	Miscellaneous Paid-In Capital				
3035	Installments Received on Capital Stock				
3040	Appropriated Retained Earnings				
3045	Unappropriated Retained Earnings				
3046	Balance Transferred From Income			$0	$0
3047	Appropriations of Retained Earnings - Current Period				
3048	Dividends Payable-Preference Shares				
3049	Dividends Payable-Common Shares				
3055	Adjustment to Retained Earnings				
3065	Unappropriated Undistributed Subsidiary Earnings				
4006	Residential Energy Sales				
4010	Commercial Energy Sales				
4015	Industrial Energy Sales				
4020	Energy Sales to Large Users				
4025	Street Lighting Energy Sales				
4030	Sentinel Lighting Energy Sales				
4035	General Energy Sales				
4040	Other Energy Sales to Public Authorities				
4045	Energy Sales to Railroads and Railways				
4050	Revenue Adjustment				
4055	Energy Sales for Resale				
4060	Interdepartmental Energy Sales				
4062	Billed WMS				
4064	Billed-One-Time				
4066	Billed NW				
4068	Billed CN				
4080	Distribution Services Revenue			$1,225,886	
4082	Retail Services Revenues				
4084	Service Transaction Requests (STR) Revenues				
4090	Electric Services Incidental to Energy Sales				
4105	Transmission Charges Revenue				
4110	Transmission Services Revenue				
4205	Interdepartmental Rents				
4210	Rent from Electric Property				
4215	Other Utility Operating Income				
4220	Other Electric Revenues				
4225	Late Payment Charges				
4230	Sales of Water and Water Power				
4235	Miscellaneous Service Revenues			$168,760	
4240	Provision for Rate Refunds				
4245	Government Assistance Directly Credited to Income				
4305	Regulatory Debits				

4310	Regulatory Credits				
4315	Revenues from Electric Plant Leased to Others				
4320	Expenses of Electric Plant Leased to Others				
4325	Revenues from Merchandise, Jobbing, Etc.				
4330	Costs and Expenses of Merchandising, Jobbing, Etc.				
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				
4360	Loss on Disposition 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-Utility Operations				
4380	Expenses of Non-Utility Operations				
4385	Non-Utility Rental Income				
4390	Miscellaneous Non-Operating Income				
4395	Rate-Payer Benefit Including Interest				
4398	Foreign Exchange Gains and Losses, Including Amortization				
4405	Interest and Dividend Income				
4415	Equity in Earnings of Subsidiary Companies				
4505	Operation Supervision and Engineering				
4510	Fuel				
4515	Steam Expense				
4520	Steam From Other Sources				
4525	Steam Transferred--Credit				
4530	Electric Expense				
4535	Water For Power				
4540	Water Power Taxes				
4545	Hydraulic Expenses				
4550	Generation Expense				
4555	Miscellaneous Power Generation Expenses				
4560	Rents				
4565	Allowances for Emissions				
4605	Maintenance Supervision and Engineering				
4610	Maintenance of Structures				
4615	Maintenance of Boiler Plant				
4620	Maintenance of Electric Plant				
4625	Maintenance of Reservoirs, Dams and Waterways				
4630	Maintenance of Water Wheels, Turbines and Generators				
4635	Maintenance of Generating and Electric Plant				
4640	Maintenance of Miscellaneous Power Generation Plant				
4705	Power Purchased				
4708	Charges-WMS				
4710	Cost of Power Adjustments				
4712	Charges-One-Time				
4714	Charges-NW				
4715	System Control and Load Dispatching				
4716	Charges-CN				
4720	Other Expenses				
4725	Competition Transition Expense				
4730	Rural Rate Assistance Expense				
4805	Operation Supervision and Engineering				
4810	Load Dispatching				
4815	Station Buildings and Fixtures Expenses				
4820	Transformer Station Equipment - Operating Labour				
4825	Transformer Station Equipment - Operating Supplies and Expense				
4830	Overhead Line Expenses				
4835	Underground Line Expenses				
4840	Transmission of Electricity by Others				
4845	Miscellaneous Transmission Expense				
4850	Rents				
4905	Maintenance Supervision and Engineering				
4910	Maintenance of Transformer Station Buildings and Fixtures				
4916	Maintenance of Transformer Station Equipment				
4930	Maintenance of Towers, Poles and Fixtures				
4935	Maintenance of Overhead Conductors and Devices				
4940	Maintenance of Overhead Lines - Right of Way				
4945	Maintenance of Overhead Lines - Roads and Trails Repairs				
4950	Maintenance of Overhead Lines - Snow Removal from Roads and Trails				
4960	Maintenance of Underground Lines				
4965	Maintenance of Miscellaneous Transmission Plant				

5005	Operation Supervision and Engineering			
5010	Load Dispatching			
5012	Station Buildings and Fixtures Expense			
5014	Transformer Station Equipment - Operation Labour			
5015	Transformer Station Equipment - Operation Supplies and Expenses			
5016	Distribution Station Equipment - Operation Labour			
5017	Distribution Station Equipment - Operation Supplies and Expenses			
5020	Overhead Distribution Lines and Feeders - Operation Labour			
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses			
5030	Overhead Subtransmission Feeders - Operation			
5035	Overhead Distribution Transformers- Operation			$137,785
5040	Underground Distribution Lines and Feeders - Operation Labour			
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses			
5050	Underground Subtransmission Feeders - Operation			
5055	Underground Distribution Transformers - Operation			$137,785
5060	Street Lighting and Signal System Expense			
5065	Meter Expense			
5070	Customer Premises - Operation Labour			
5075	Customer Premises - Materials and Expenses			
5085	Miscellaneous Distribution Expense			
5090	Underground Distribution Lines and Feeders - Rental Paid			
5095	Overhead Distribution Lines and Feeders - Rental Paid			
5096	Other Rent			
5105	Maintenance Supervision and Engineering			
5110	Maintenance of Buildings and Fixtures - Distribution Stations			
5112	Maintenance of Transformer Station Equipment			
5114	Maintenance of Distribution Station Equipment			
5120	Maintenance of Poles, Towers and Fixtures			
5125	Maintenance of Overhead Conductors and Devices			
5130	Maintenance of Overhead Services			
5135	Overhead Distribution Lines and Feeders - Right of Way			
5145	Maintenance of Underground Conduit			
5150	Maintenance of Underground Conductors and Devices			
5155	Maintenance of Underground Services			
5160	Maintenance of Line Transformers			$13,778
5165	Maintenance of Street Lighting and Signal Systems			
5170	Sentinel Lights - Labour			
5172	Sentinel Lights - Materials and Expenses			
5175	Maintenance of Meters			
5178	Customer Installations Expenses- Leased Property			
5185	Water Heater Rentals - Labour			
5186	Water Heater Rentals - Materials and Expenses			
5190	Water Heater Controls - Labour			
5192	Water Heater Controls - Materials and Expenses			
5195	Maintenance of Other Installations on Customer Premises			
5205	Purchase of Transmission and System Services			
5210	Transmission Charges			
5215	Transmission Charges Recovered			
5305	Supervision			
5310	Meter Reading Expense			
5315	Customer Billing			
5320	Collecting			
5325	Collecting- Cash Over and Short			
5330	Collection Charges			
5335	Bad Debt Expense			
5340	Miscellaneous Customer Accounts Expenses			
5405	Supervision			
5410	Community Relations - Sundry			
5415	Energy Conservation			
5420	Community Safety Program			
5425	Miscellaneous Customer Service and Informational Expenses			
5505	Supervision			
5510	Demonstrating and Selling Expense			
5515	Advertising Expense			
5520	Miscellaneous Sales Expense			
5605	Executive Salaries and Expenses			
5610	Management Salaries and Expenses			

5615	General Administrative Salaries and Expenses					
5620	Office Supplies and Expenses					
5625	Administrative Expense Transferred Credit					
5630	Outside Services Employed					
5635	Property Insurance					
5640	Injuries and Damages					
5645	Employee Pensions and Benefits					
5650	Franchise Requirements					
5655	Regulatory Expenses					
5660	General Advertising Expenses					
5665	Miscellaneous General Expenses			$0		
5670	Rent					
5675	Maintenance of General Plant					
5680	Electrical Safety Authority Fees					
5685	Independent Market Operator Fees and Penalties					
5705	Amortization Expense - Property, Plant, and Equipment					
5710	Amortization of Limited Term Electric Plant					
5715	Amortization of Intangibles and Other Electric Plant					
5720	Amortization of Electric Plant Acquisition Adjustments					
5725	Miscellaneous Amortization					
5730	Amortization of Unrecovered Plant and Regulatory Study Costs					
5735	Amortization of Deferred Development Costs					
5740	Amortization of Deferred Charges					
6005	Interest on Long Term Debt			$0		$0
6010	Amortization of Debt Discount and Expense					
6015	Amortization of Premium on Debt Credit					
6020	Amortization of Loss on Reacquired Debt					
6025	Amortization of Gain on Reacquired Debt--Credit					
6030	Interest on Debt to Associated Companies					
6035	Other Interest Expense					
6040	Allowance for Borrowed Funds Used During Construction--Credit					
6042	Allowance For Other Funds Used During Construction					
6045	Interest Expense on Capital Lease Obligations					
6105	Taxes Other Than Income Taxes					
6110	Income Taxes			$0		$0
6115	Provision for Future Income Taxes					
6205	Donations					
6210	Life Insurance					
6215	Penalties					
6225	Other Deductions					
6305	Extraordinary Income					
6310	Extraordinary Deductions					
6315	Income Taxes, Extraordinary Items					
6405	Discontinues Operations - Income/ Gains					
6410	Discontinued Operations - Deductions/ Losses					
6415	Income Taxes, Discontinued Operations					

$0

Reclassification Equals to Zero. O.K. to Proceed.

Asset Accounts Directly Allocated	$0

Differences?

Rev Req Matches

Rate Base Matches

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2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet I4 Break Out Worksheet - Second Run

Instructions:
This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.
Please see Handbook for detailed instructions*

Enter Net Fixed Assets from approved EDR, Sheet 3-1, cell F12	$39,335,572

RATE BASE AND DISTRIBUTION ASSETS

BALANCE SHEET ITEMS

Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT ($)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital
1565	Conservation and Demand Management	$400,000		-	400,000					400,000
1805	Land	$98,896		($98,896)	-					
1805-1	Land Station >50 kV			$0	-					-
1805-2	Land Station <50 kV		100.00%	$98,896	98,896					98,896
1806	Land Rights	$0		$0	-					
1806-1	Land Rights Station >50 kV			$0	-					-
1806-2	Land Rights Station <50 kV		100.00%	$0	-					-
1808	Buildings and Fixtures	$533,720		($533,720)	-					
1808-1	Buildings and Fixtures > 50 kV			$0	-					-
1808-2	Buildings and Fixtures < 50 KV		100.00%	$533,720	533,720			$ (250,878)		282,842
1810	Leasehold Improvements	$0		$0	-					
1810-1	Leasehold Improvements >50 kV			$0	-					-
1810-2	Leasehold Improvements <50 kV		100.00%	$0	-					-
1815	Transformer Station Equipment - Normally Primary above 50 kV	$0		$0	-					-
1820	Distribution Station Equipment - Normally Primary below 50 kV	$8,897,259		($8,897,259)	-					-
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)		0.00%	$0	0					0
1820-2	Distribution Station Equipment - Normally Primary below 50 kV Primary)		100.00%	$8,897,259	8,897,259			$ (5,781,833)		3,115,426
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)		0.00%	($0)	- 0					- 0
1825	Storage Battery Equipment	$0		$0	-					
1825-1	Storage Battery Equipment > 50 kV			$0	-					-
1825-2	Storage Battery Equipment <50 kV		100.00%	$0	-					-
1830	Poles, Towers and Fixtures	$0		($0)	-					
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery			$0	-					-
1830-4	Poles, Towers and Fixtures - Primary			$0	-					-

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet I4 Break Out Worksheet - Second Run

Instructions:
This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.
Please see Handbook for detailed instructions*

Enter Net Fixed Assets from approved EDR, Sheet 3-1, cell F12	$39,335,572

RATE BASE AND DISTRIBUTION ASSETS — **BALANCE SHEET ITEMS**

Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT ($)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital
1830-5	Poles, Towers and Fixtures - Secondary		100.00%	$0	0					0
1835	Overhead Conductors and Devices	$30,284,808		($30,284,808)	-					
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery			$0	-					-
1835-4	Overhead Conductors and Devices - Primary		56.35%	$17,065,489	17,065,489	($2,005,753)	$268,334	$ (9,269,140)		6,058,931
1835-5	Overhead Conductors and Devices - Secondary		43.65%	$13,219,319	13,219,319	($1,553,702)	$207,858	$ (7,180,088)		4,693,387
1840	Underground Conduit	$0		($0)	-					
1840-3	Underground Conduit - Bulk Delivery			$0	-					-
1840-4	Underground Conduit - Primary			$0	-					-
1840-5	Underground Conduit - Secondary		100.00%	$0	0					0
1845	Underground Conductors and Devices	$35,039,897		($35,039,897)	-					
1845-3	Underground Conductors and Devices - Bulk Delivery			$0	-					-
1845-4	Underground Conductors and Devices - Primary		40.25%	$14,103,559	14,103,559	($1,657,629)	$191,667	$ (6,388,183)		6,249,414
1845-5	Underground Conductors and Devices - Secondary		59.75%	$20,936,338	20,936,338	($2,460,704)	$284,525	$ (9,483,079)		9,277,080
1850	Line Transformers	$15,508,716		$0	15,508,716			$ (10,725,318)		4,783,398
1855	Services	$0		$0	-					-
1860	Meters	$7,077,387		$0	7,077,387			$ (3,925,291)		3,152,096
	Total	**$97,840,684**		**$0**	**$97,840,684**	**($7,677,787)**	**$952,384**	**($53,003,810)**	**$0**	**38,111,471**
	SUB TOTAL from I3	**$97,840,684**								

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet I4 Break Out Worksheet - Second Run

Instructions:
This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.
Please see Handbook for detailed instructions*

Enter Net Fixed Assets from approved EDR, Sheet 3-1, cell F12	$39,335,572

RATE BASE AND DISTRIBUTION ASSETS — **BALANCE SHEET ITEMS**

Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT ($)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital
General Plant		Break out Functions				Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Net Asset
1905	Land	$0			-					$ -
1906	Land Rights	$0			-					$ -
1908	Buildings and Fixtures	$0			-					$ -
1910	Leasehold Improvements	$37,730			37,730			$ 12,727		$ 50,457
1915	Office Furniture and Equipment	$629,611			629,611			$ (527,637)		$ 101,973
1920	Computer Equipment - Hardware	$1,733,444			1,733,444			$ (1,538,813)		$ 194,631
1925	Computer Software	$46,990			46,990			$ (45,692)		$ 1,297
1930	Transportation Equipment	$3,576,688			3,576,688			$ (2,897,809)		$ 678,879
1935	Stores Equipment	$23,366			23,366			$ (22,720)		$ 645
1940	Tools, Shop and Garage Equipment	$552,557			552,557			$ (487,251)		$ 65,307
1945	Measurement and Testing Equipment	$121,328			121,328			$ (114,953)		$ 6,375
1950	Power Operated Equipment	$0			-					$ -
1955	Communication Equipment	$259,585			259,585			$ (182,445)		$ 77,140
1960	Miscellaneous Equipment	$529			529			$ -		$ 529
1970	Load Management Controls - Customer Premises	$107,035			107,035			$ (99,351)		$ 7,684
1975	Load Management Controls - Utility Premises	$597,214			597,214			$ (568,465)		$ 28,750
1980	System Supervisory Equipment	$241,949			241,949			$ (231,516)		$ 10,433
1990	Other Tangible Property	$0			-					$ -
2005	Property Under Capital Leases	$0			-					$ -
2010	Electric Plant Purchased or Sold	$0			-					$ -
	Total	$7,928,026		$0	$7,928,026	$0	$0	($6,703,925)	$0	$1,224,101
	SUB TOTAL from I3	$7,928,026								
	I3 Directly Allocated	$0								
	Grand Total	$105,768,710		$0	$105,768,710	($7,677,787)	$952,384	($59,707,735)	$0	$39,335,572

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet I4 Break Out Worksheet - Second Run

Instructions:
This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.
Please see Handbook for detailed instructions*

Enter Net Fixed Assets from approved EDR, Sheet 3-1, cell F12	$39,335,572

RATE BASE AND DISTRIBUTION ASSETS

BALANCE SHEET ITEMS

Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT ($)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital
To be Prorated										
1995	Contributed Capital - 1995	($7,677,787)				$7,677,787	**Balanced**			
2105	Accumulated Depreciation - 2105	($58,755,351)						$58,755,351	**Balanced**	
2120	Accumulated Depreciation - 2120	$0							$0	**Balanced**
	Total	**($66,433,138)**								
	Net Assets	**$39,335,572**	**Net Fixed Assets Match EDR**							

Amortization Expenses

5705	Amortization Expense - Property, Plant, and Equipment	$3,383,711
5710	Amortization of Limited Term Electric Plant	$0
5715	Amortization of Intangibles and Other Electric Plant	$0
5720	Amortization of Electric Plant Acquisition Adjustments	$0
	Total Amortization Expense	**$3,383,711**

Total Asset Costs	Allocation Percentage	Contibuted Capital Allocation to Asset Type

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.
EB-2005-0402 EB-2006-0247
Monday, January 15, 2007
Sheet I4 Break Out Worksheet - Second Run

Instructions:
This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.
Please see Handbook for detailed instructions*

Enter Net Fixed Assets from approved EDR, Sheet 3-1, cell F12	$39,335,572

RATE BASE AND DISTRIBUTION ASSETS		BALANCE SHEET ITEMS								
Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT ($)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital
			1835	Overhead Conductors and Devices		$30,284,808	46%	-$ 3,559,454.37		
			1845	Underground Conductors and Devices		$35,039,897	54%	-$ 4,118,332.63		
						$65,324,705	100%	($7,677,787)		

Ontario

2006 COST ALLOC
Oshawa PUC N
EB-2005-0402 El
Monday, January
Sheet I4 Break

Instructions:
This is an input sheet for the Break Out
***Please see Handbook for detailed instr**

Enter Net Fixed Assets from approved EDR, Sheet 3-1, cell F12

RATE BASE AND DISTRIBUTION ASSETS		EXPENSE ITEMS			
		5705	5710	5715	5720
Account	Description	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
1565	Conservation and Demand Management	$32,000			
1805	Land				
1805-1	Land Station >50 kV				
1805-2	Land Station <50 kV	$0			
1806	Land Rights				
1806-1	Land Rights Station >50 kV				
1806-2	Land Rights Station <50 kV				
1808	Buildings and Fixtures				
1808-1	Buildings and Fixtures > 50 kV				
1808-2	Buildings and Fixtures < 50 KV	$8,343			
1810	Leasehold Improvements				
1810-1	Leasehold Improvements >50 kV				
1810-2	Leasehold Improvements <50 kV				
1815	Transformer Station Equipment - Normally Primary above 50 kV				
1820	Distribution Station Equipment - Normally Primary below 50 kV				
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)				
1820-2	Distribution Station Equipment - Normally Primary below 50 kV Primary)	$267,907			
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)				
1825	Storage Battery Equipment				
1825-1	Storage Battery Equipment > 50 kV				
1825-2	Storage Battery Equipment <50 kV				
1830	Poles, Towers and Fixtures				
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery				
1830-4	Poles, Towers and Fixtures - Primary				

Ontario

2006 COST ALLOC
Oshawa PUC N
EB-2005-0402 El
Monday, January
Sheet I4 Break

Instructions:
This is an input sheet for the Break Out
***Please see Handbook for detailed instr**

Enter Net Fixed Assets from approved EDR, Sheet 3-1, cell F12

RATE BASE AND DISTRIBUTION ASSETS		EXPENSE ITEMS			
		5705	5710	5715	5720
Account	Description	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
1830-5	Poles, Towers and Fixtures - Secondary				
1835	Overhead Conductors and Devices				
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery				
1835-4	Overhead Conductors and Devices - Primary	$559,405			
1835-5	Overhead Conductors and Devices - Secondary	$433,328			
1840	Underground Conduit				
1840-3	Underground Conduit - Bulk Delivery				
1840-4	Underground Conduit - Primary				
1840-5	Underground Conduit - Secondary				
1845	Underground Conductors and Devices				
1845-3	Underground Conductors and Devices - Bulk Delivery				
1845-4	Underground Conductors and Devices - Primary	$ 422,609.71			
1845-5	Underground Conductors and Devices - Secondary	$ 627,352.30			
1850	Line Transformers	$414,245			
1855	Services				
1860	Meters	$227,330			
	Total	**$2,992,520**	**$0**	**$0**	**$0**
	SUB TOTAL from I3				
		5705	5710	5715	5720

Ontario

2006 COST ALLOC
Oshawa PUC N
EB-2005-0402 El
Monday, January
Sheet I4 Break

Instructions:
This is an input sheet for the Break Out
***Please see Handbook for detailed instr**

Enter Net Fixed Assets from approved EDR, Sheet 3-1, cell F12

RATE BASE AND DISTRIBUTION ASSETS		EXPENSE ITEMS			
		5705	5710	5715	5720
Account	Description	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
General Plant		Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
1905	Land				
1906	Land Rights				
1908	Buildings and Fixtures				
1910	Leasehold Improvements	12,669			
1915	Office Furniture and Equipment	25,051			
1920	Computer Equipment - Hardware	73,047			
1925	Computer Software	27,520			
1930	Transportation Equipment	201,368			
1935	Stores Equipment	-			
1940	Tools, Shop and Garage Equipment	12,616			
1945	Measurement and Testing Equipment	19,924			
1950	Power Operated Equipment				
1955	Communication Equipment	6,968			
1960	Miscellaneous Equipment	23			
1970	Load Management Controls - Customer Premises	4,862			
1975	Load Management Controls - Utility Premises	7,143			
1980	System Supervisory Equipment	-			
1990	Other Tangible Property				
2005	Property Under Capital Leases				
2010	Electric Plant Purchased or Sold				
	Total	$391,191	$0	$0	$0
	SUB TOTAL from I3 I3 Directly Allocated				
	Grand Total	$3,383,711	$0	$0	$0

Ontario

2006 COST ALLOC
Oshawa PUC N
EB-2005-0402 El
Monday, January
Sheet I4 Break

Instructions:
This is an input sheet for the Break Out
Please see Handbook for detailed instr

Enter Net Fixed Assets from approved EDR, Sheet 3-1, cell F12

RATE BASE AND DISTRIBUTION ASSETS		EXPENSE ITEMS			
		5705	5710	5715	5720
Account	**Description**	**Amortization Expense - Property, Plant, and Equipment**	**Amortization of Limited Term Electric Plant**	**Amortization of Intangibles and Other Electric Plant**	**Amortization of Electric Plant Acquisition Adjustments**
To be Prorated					
1995	Contributed Capital - 1995				
2105	Accumulated Depreciation - 2105				
2120	Accumulated Depreciation - 2120				
	Total				
	Net Assets				
Amortization Expenses					
5705	Amortization Expense - Property, Plant, and Equipment	($3,383,711)	**Balanced**		
5710	Amortization of Limited Term Electric Plant		$0	**Balanced**	
5715	Amortization of Intangibles and Other Electric Plant			$0	**Balanced**
5720	Amortization of Electric Plant Acquisition Adjustments				$0 **Balanced**
	Total Amortization Expense				

Ontario

2006 COST ALLOC
Oshawa PUC N
EB-2005-0402 El
Monday, January
Sheet I4 Break

Instructions:
This is an input sheet for the Break Out
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Enter Net Fixed Assets from approved EDR, Sheet 3-1, cell F12

RATE BASE AND DISTRIBUTION ASSETS		EXPENSE ITEMS			
		5705	5710	5715	5720
Account	Description	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments

2006 COST ALLOCATION INFORMATION FILING
Oshawa PUC Networks Inc.
EB-2005-0402 EB-2006-0247
Monday, January 15, 2007
Sheet I5 Miscellaneous Data Worksheet - Second Run

kMs of Roads in Service Area Where Distribution Lines Exist	1049
Deemed Equity Component of Rate Base (%)	50%

	1	2	3	4	5	6	7	8	9
	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)
Step 3: Insert Approved Monthly Service Charge (Please refer to Approved EDR Sheet 8-5 column W)	7.29	8.75	40.23	40.23	1934.86	10418.47	0.47	2.45	4.38
Step 4: Insert Smart Meter Adder Included in Approved Monthly Service Charge (Please refer to Approved EDR Sheet 8-5 column T)	0.27	0.27	0.27	0.27	0.27	0.27			

Instructions (Cont'd):

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet I6 Customer Data Worksheet - Second Run

Total kWhs	1,198,476,905

Total kWs	1,299,657

Total Approved Distribution Revenue ($)	$17,624,988

			1	2	3
	ID	**Total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**
Billing Data					
kWh from approved EDR model, Sheet 7-1, Col M	**CEN**	1,198,476,905	504,731,605	141,937,237	280,029,919
kW from approved EDR model, Sheet 7-1, Col S	**CDEM**	1,299,657	-	-	770,021
kW, included in CDEM, from customers with line transformer allowance from approved EDR model, Sheet 6-3, Col P		482,246	-	-	84,916

Optional - kWh, included in CEN, from customers that receive a line transformation allowance on a kWh basis. In most cases this will not be applicable and will be left blank.	**n/a**	-			
KWh excluding KWh from Wholesale Market Participants	**CEN EWMP**	1,198,476,905	504,731,605	141,937,237	280,029,919
kWh - 30 year weather normalized amount		1,122,494,363	470,952,246	145,828,724	308,879,503
Approved Distribution Rev from approved EDR, Sheet 7-1, Col AK + Sheet 7-3 Col H	**CREV**	$17,624,988	9,296,581	2,918,964	2,912,487
Bad Debt 3 Year Historical Average from Approved EDR Model	**BDHA**	$248,629	$198,863	$22,424	$21,927
Late Payment 3 Year Historical Average	**LPHA**	$196,823	$150,077	$26,053	$15,866
Weighting Factor - Services			1.0	2.0	10.0
Weighting Factor - Billings			1.0	2.0	7.0
Number of Bills	**CNB**	434,616	392,775	35,483	5,353
Number of Connections (Unmetered)	**CCON**	10,448	-	-	-
Total Number of Customer from Approved EDR, Sheet 7-1, Col H excluding connections	**CCA**	48,753	44,280	3,576	443
Bulk Customer Base	**CCB**	-	-	-	-
Primary Customer Base	**CCP**	48,753	44,280	3,576	443
Line Transformer Customer Base	**CCLT**	48,723	44,280	3,574	437
Secondary Customer Base	**CCS**	48,719	44,280	3,572	435
Weighted - Services	**CWCS**	66,822	44,280	7,144	4,350
Weighted Meter -Capital	**CWMC**	4,451,250	2,343,465	896,685	897,900
Weighted Meter Reading	**CWMR**	428,719	335,287	43,728	8,700
Weighted Bills	**CWNB**	508,260	392,775	70,966	37,471
Data Mismatch Analysis					
Revenue with 30 year weather normalized kWh		16,733,921	8,674,404	2,998,993	3,212,541

Weather Normalized Data from Hydro

	Total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)
kWh - 30 year weather normalized amount	1,171,202,316	**492,898,621**	152,624,343	323,273,288
2006 EDR Distribution Loss Factor		**1.0466**	**1.0466**	**1.0466**

Bad Debt Data from EDR 2006

Sheet ADJ5 rows 26 - 32, column E	97,009	88,271	8,072	-
Sheet ADJ5 rows 26 - 32, column F	250,582	219,108	22,025	6,565
Sheet ADJ5 rows 26 - 32, column G	398,296	289,211	37,176	59,217
Three-year average	**248,629**	**198,863**	**22,424**	**21,927**

	Customer Count	3,576	443
Sheet ADJ5 rows 26 - 32, column E		8,738	-
Sheet ADJ5 rows 26 - 32, column F	Apportion for split in customer class I1 and I4	23,842	7,632
Sheet ADJ5 rows 26 - 32, column G	Apportion for split in customer class C1 and USL	40,243	68,842
Three-year average		**24,274**	**25,491**
			86%
		92%	

4	5	6	7	8	9
GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)
45,512,763	117,427,737	97,798,297	7,960,654	44,065	3,034,628
125,033	182,908	208,230	-	174	13,291
23,996	130,203	243,131	-	-	-

45,512,763	117,427,737	97,798,297	7,960,654	44,065	3,034,628
29,353,232	70,712,027	85,517,431	8,492,299	38,906	2,719,994
472,955	948,572	846,488	154,841	3,226	70,874
$3,564	$0	$0	$0	$0	$1,850
$0	$4,827	$0	$0	$0	$0
10.0	10.0	30.0	1.0	1.0	1.0
7.0	7.0	15.0	1.0	0.1	5.0
864	81	24	12	12	12
-	-	-	10,076	77	295
72	7	2	1	77	295
-	-	-	-	-	-
72	7	2	1	77	295
59	1	-	-	77	295
59	1	-	-	77	295
590	10	-	10,076	77	295
163,200	70,000	80,000	-	-	-
35,712	4,116	1,176	-	-	-
6,048	567	360	12	1	60
305,030	571,206	740,192	165,182	2,848	63,526

-

GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)
30,721,093	74,007,207	85,902,259	8,888,040	40,719	2,846,746
1.0466	**1.0466**	**1.0045**	**1.0466**	**1.0466**	**1.0466**
-	-	-	-	-	666
1,067					1,817
9,625					3,067
3,564	**-**	**-**	**-**	**-**	**1,850**
72	515			295	3,871
-				-	
-				**-**	
14%	100%			8%	100%

Ontario

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet I7.1 Meter Capital Worksheet - Second Run

		Residential (R1)			GS <50 (C1)			GS>50 kW < 200 kW (I1)			GS>200 kW < 1000 kW	
		1	2	3	1	2	3	1	2	3	1	2
		Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs
	Allocation Percentage Weighted Factor			52.65%			20%			20%		
	Cost Relative to Residential Average Cost			1.00			4.74			38.30		
	Total	44280	2343465	52.92378049	3576	896685	250.7508389	443	897900	2026.862302	72	163200
Meter Types	Cost per Meter (Installed)											
Single Phase 200 Amp - Urban	50	43,498	2174900		68	3400			0			0
Single Phase 200 Amp - Rural	150	466	69900		375	56250			0			0
Central Meter	250	201	50250		198	49500			0			0
Network Meter (Costs to be updated)	225		0		1,317	296325			0			0
Three-phase - No demand	210		0		1,471	308910			0			0
Smart Meters	300	0	0			0			0			0
Demand without IT (usually three-phase)	500		0		79	39500		21	10500			0
Demand with IT	2,100		0		68	142800		416	873600		12	25200
Demand with IT and Interval Capability - Secondary	2,300		0			0		6	13800		60	138000
Demand with IT and Interval Capability - Primary	10,000		0			0			0			0
Demand with IT and Interval Capability -Special (WMP)	40,000		0			0			0			0
Carma Meters (Located Multi - unit Buildings)	421	115	48415			0			0			0
LDC Specific 2			0			0			0			0

LDC Specific 3		0			0			0			0

0.971436093

0.95948484

(I4)	GS>1000 kW < 5000 kW (I2 -Intermediate)			Large Use >5MW (I3)			Street Light			Sentinel			Unmetered Scattered Load	
3	1	2	3	1	2	3	1	2	3	1	2	3	1	2
Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs
4%			2%			2%			0%			0%		
42.83			188.95			755.80			-			-		
2266.666667	7	70000	10000	2	80000	40000	0	0	-	0	0	-	0	0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
	7	70000			0			0			0			0
		0		2	80000			0			0			0
		0			0			0			0			0
		0			0			0			0			0

		0			0			0			0			0

d (USL)	TOTAL		
3	1	2	3
Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs
0%			100%
-			1.74
-	48380	4451250	92.00599421
	43,566	2178300	
	841	126150	
	399	99750	
	1,317	296325	
	1,471	308910	
	0	0	
	100	50000	
	496	1041600	
	66	151800	
	7	70000	
	2	80000	
	115	48415	
	0	0	

0	0	

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet I7.2 Meter Reading Worksheet - Second Run

Weighting Factors based on Contractor Pricing

Description			1 Residential (R1)			2 GS <50 (C1)			3 GS>50 kW < 200 kW (I1)			4 GS>200 kW < 1000 kW	
			Units	Weighted Factor	Weighted Average Costs	Units	Weighted Factor	Weighted Average Costs	Units	Weighted Factor	Weighted Average Costs	Units	Weighted Factor
	Allocation Percentage Weighted Factor				78.21%			10.20%			2.03%		
	Cost Relative to Residential Average Cost				1.00			1.61			2.59		
	Total		265,680	335,287	1.26	21,456	43,728	2.04	2,658	8,700	3.27	864	35,712
	Factor												
Residential - Urban - Outside		1.00	198,889	198,889			0			0			0
Residential - Urban - Outside with other services		1.00	6,659	6,659			0			0			0
Residential - Urban - Inside		2.00	50,659	101,319			0			0			0
Residential - Urban - Inside - with other services		1.00		0			0			0			0
Residential - Rural - Outside		3.00	9,474	28,421			0			0			0
Residential - Rural - Outside with other services		2.00		0			0			0			0
LDC Specific 1				0			0			0			0
LDC Specific 2				0			0			0			0
GS - Walking		2.00		0		20,640	41,280		2,586	5,172			0
GS - Walking - with other services		3.00		0			0			0			0
GS - Vehicle with other services --- TOU Read		3.00		0		816	2,448			0		144	432
GS - Vehicle with other services		3.00		0			0			0			0
LDC Specific 3				0			0			0			0
LDC Specific 4		0.00		0			0			0			0
Interval		49.00		0			0		72	3,528		720	35,280
LDC Specific 5				0			0			0			0
LDC Specific 6				0			0			0			0

Information Invoices URB for 2004

Residential - Urban - Outside		0.00	208,133	0		0		0	
Residential - Urban - Outside with other services		0.00	6,968	0		0		0	
Residential - Urban - Inside		0.00	53,014	0		0		0	
Residential - Urban - Inside - with other services		0.00		0		0		0	
Residential - Rural - Outside		0.00	9,914	0		0		0	
Residential - Rural - Outside with other services		0.00		0		0		0	
LDC Specific 1				0		0		0	
LDC Specific 2				0		0		0	
GS - Walking		0.00		0	18,986	0	5,823	0	
GS - Walking - with other services		0.00		0		0		0	
GS - Vehicle with other services --- TOU Read		0.00		0	0	MV 90		0	
GS - Vehicle with other services		0.00		0		0		0	
LDC Specific 3				0		0		0	
LDC Specific 4		0.00		0		0		0	
Interval		0.00		0		0	MV 90	MV 90	
LDC Specific 5				0		0		0	
LDC Specific 6				0		0		0	

278,029	18,986	5,823
265680	21456	2658
0.95558377	1.13009586	0.456465739

	5			6			7			8			9	
' (I4)	GS>1000 kW < 5000 kW (I2 -Intermediate)			Large Use >5MW (I3)			Street Light			Sentinel			Unmetered Scattered Loa	
Weighted Average Costs	Units	Weighted Factor	Weighted Average Costs	Units	Weighted Factor	Weighted Average Costs	Units	Weighted Factor	Weighted Average Costs	Units	Weighted Factor	Weighted Average Costs	Units	Weighted Factor
8.33%			0.96%			0.27%			0.00%			0.00%		
32.75			38.83			38.83			0.00			0.00		
41.33	**84**	**4,116**	**49.00**	**24**	**1,176**	**49.00**	**-**	**-**	**0**	**-**	**-**	**0**	**-**	**-**
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
		0			0			0			0			0
	84	4,116		24	1,176			0			0			0
		0			0			0			0			0
		0			0			0			0			0

d (USL)	TOTAL		
Weighted Average Costs	Units	Weighted Factor	Weighted Average Costs
0.00%			100.00%
0.00			115.62
0	**290,766**	**428,719**	**146**
	198,889	198,889	
	6,659	6,659	
	50,659	101,319	
	-	-	
	9,474	28,421	
	-	-	
	-	-	
	-	-	
	23,226	46,452	
	-	-	
	960	2,880	
	-	-	
	-	-	
	-	-	
	900	44,100	
	-	-	
	-	-	

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet I8 Demand Data Worksheet - Second Run

This is an input sheet for demand allocators.

CP TEST RESULTS	12 CP
NCP TEST RESULTS	4 NCP

Co-incident Peak	Indicator
1 CP	CP 1
4 CP	CP 4
12 CP	CP 12

Non-co-incident Peak	Indicator
1 NCP	NCP 1
4 NCP	NCP 4
12 NCP	NCP 12

Customer Classes	Total	1 Residential (R1)	2 GS <50 (C1)	3 GS>50 kW < 200 kW (I1)	4 GS>200 kW < 1000 kW (I4)
CO-INCIDENT PEAK					

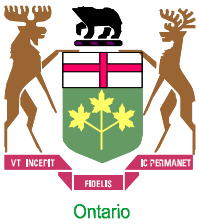
	A	B	C	D	E	F	G
37	**1 CP**						
38	Transformation CP	TCP1	212,010	106,048	23,205	53,636	4,170
39	Bulk Delivery CP	BCP1	212,010	106,048	23,205	53,636	4,170
40	Total Sytem CP	DCP1	212,010	106,048	23,205	53,636	4,170
41							
42	**4 CP**						
43	Transformation CP	TCP4	809,315	398,319	86,753	210,121	15,550
44	Bulk Delivery CP	BCP4	809,315	398,319	86,753	210,121	15,550
45	Total Sytem CP	DCP4	809,315	398,319	86,753	210,121	15,550
46							
47	**12 CP**						
48	Transformation CP	TCP12	2,196,506	1,074,998	241,726	565,299	47,126
49	Bulk Delivery CP	BCP12	2,196,506	1,074,998	241,726	565,299	47,126
50	Total Sytem CP	DCP12	2,196,506	1,074,998	241,726	565,299	47,126
51							
52	**NON CO_INCIDENT PEAK**						
53							
54	**1 NCP**						
55	Classification NCP from Load Data Provider	DNCP1	238,081	113,057	28,438	61,511	4,788
56	Primary NCP	PNCP1	238,081	113,057	28,438	61,511	4,788
57	Line Transformer NCP	LTNCP1	208,476	113,057	28,428	61,070	2,342
58	Secondary NCP	SNCP1	207,971	113,057	28,418	60,575	2,342
59							
60	**4 NCP**						
61	Classification NCP from Load Data Provider	DNCP4	898,796	425,945	112,315	223,978	18,061
62	Primary NCP	PNCP4	898,796	425,945	112,315	223,978	18,061
63	Line Transformer NCP	LTNCP4	783,581	425,945	112,305	222,374	8,835
64	Secondary NCP	SNCP4	781,711	425,945	112,238	220,571	8,835
65							
66	**12 NCP**						
67	Classification NCP from Load Data Provider	DNCP12	2,447,639	1,139,840	303,377	613,380	49,505
68	Primary NCP	PNCP12	2,447,639	1,139,840	303,377	613,380	49,505
69	Line Transformer NCP	LTNCP12	2,117,878	1,139,840	303,367	608,986	24,218

	A	B	C	D	E	F	G
70	Secondary NCP	SNCP12	2,112,743	1,139,840	303,169	604,049	24,218
71							
72							
73							
74							
75							
76							
77							
78							
79							
80							
81							
82							
83							
84							
85							

	H	I	J	K	L	X	Y	Z	AA
30	**5**	**6**	**7**	**8**	**9**				
31	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**				

	H	I	J	K	L	X	Y	Z	AA
37									
38	8,068	14,181	2,039	9	653				
39	8,068	14,181	2,039	9	653				
40	8,068	14,181	2,039	9	653				
41									
42									
43	35,359	52,299	8,237	38	2,638				
44	35,359	52,299	8,237	38	2,638				
45	35,359	52,299	8,237	38	2,638				
46									
47									
48	113,470	135,523	13,861	64	4,439				
49	113,470	135,523	13,861	64	4,439				
50	113,470	135,523	13,861	64	4,439				
51									
52									
53									
54									
55	12,268	15,257	2,085	10	668				
56	12,268	15,257	2,085	10	668				
57	816	-	2,085	10	668				
58	816	-	2,085	10	668				
59									
60									
61	47,067	60,440	8,296	38	2,657				
62	47,067	60,440	8,296	38	2,657				
63	3,131	-	8,296	38	2,657				
64	3,131	-	8,296	38	2,657				
65									
66									
67	130,817	177,954	24,731	113	7,921				
68	130,817	177,954	24,731	113	7,921				
69	8,702	-	24,731	113	7,921				

	H	I	J	K	L	X	Y	Z	AA
70	8,702	-	24,731	113	7,921				
71									
72									
73									
74									
75									
76									
77									
78									
79									
80									
81									
82									
83									
84									
85									



2006 COST ALLOCATION INFORMATION FILIN

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet I9 Direct Allocation Worksheet -

USoA Account #	Accounts	Direct Allocation	Total Allocated to Rate Classifications?

Instructions:
To Allocate Capital Contributions by Rate Classification, Input Allocation on Next Line

1995	Contributions and Grants - Credit	$0	**Yes**

Instructions:
The Following is Used to Allocate Directly Allocated Costs from I3 to Rate Classifications

1805	Land	$0	**Yes**
1806	Land Rights	$0	**Yes**
1808	Buildings and Fixtures	$0	**Yes**
1810	Leasehold Improvements	$0	**Yes**
1815	Transformer Station Equipment - Normally Primary above 50 kV	$0	**Yes**
1820	Distribution Station Equipment - Normally Primary below 50 kV	$0	**Yes**
1825	Storage Battery Equipment	$0	**Yes**
1830	Poles, Towers and Fixtures	$0	**Yes**
1835	Overhead Conductors and Devices	$0	**Yes**
1840	Underground Conduit	$0	**Yes**
1845	Underground Conductors and Devices	$0	**Yes**
1850	Line Transformers	$0	**Yes**
1855	Services	$0	**Yes**
1860	Meters	$0	**Yes**
1905	Land	$0	**Yes**
1906	Land Rights	$0	**Yes**
1908	Buildings and Fixtures	$0	**Yes**
1910	Leasehold Improvements	$0	**Yes**
1915	Office Furniture and Equipment	$0	**Yes**
1920	Computer Equipment - Hardware	$0	**Yes**
1925	Computer Software	$0	**Yes**
1930	Transportation Equipment	$0	**Yes**
1935	Stores Equipment	$0	**Yes**
1940	Tools, Shop and Garage Equipment	$0	**Yes**
1945	Measurement and Testing Equipment	$0	**Yes**

1950	Power Operated Equipment	$0	**Yes**
1955	Communication Equipment	$0	**Yes**
1960	Miscellaneous Equipment	$0	**Yes**
1970	Load Management Controls - Customer Premises	$0	**Yes**
1975	Load Management Controls - Utility Premises	$0	**Yes**
1980	System Supervisory Equipment	$0	**Yes**
1990	Other Tangible Property	$0	**Yes**
2005	Property Under Capital Leases	$0	**Yes**
2010	Electric Plant Purchased or Sold	$0	**Yes**
2050	Completed Construction Not Classified--Electric	$0	**Yes**
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	$0	**Yes**
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	$0	**Yes**
	Directly Allocated Net Fixed Assets		
5005	Operation Supervision and Engineering	$0	**Yes**
5010	Load Dispatching	$0	**Yes**
5012	Station Buildings and Fixtures Expense	$0	**Yes**
5014	Transformer Station Equipment - Operation Labour	$0	**Yes**
5015	Transformer Station Equipment - Operation Supplies and Expenses	$0	**Yes**
5016	Distribution Station Equipment - Operation Labour	$0	**Yes**
5017	Distribution Station Equipment - Operation Supplies and Expenses	$0	**Yes**
5020	Overhead Distribution Lines and Feeders - Operation Labour	$0	**Yes**
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	$0	**Yes**
5030	Overhead Subtransmission Feeders - Operation	$0	**Yes**
5035	Overhead Distribution Transformers- Operation	$0	**Yes**
5040	Underground Distribution Lines and Feeders - Operation Labour	$0	**Yes**
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	$0	**Yes**
5050	Underground Subtransmission Feeders - Operation	$0	**Yes**
5055	Underground Distribution Transformers - Operation	$0	**Yes**
5065	Meter Expense	$0	**Yes**
5070	Customer Premises - Operation Labour	$0	**Yes**

5075	Customer Premises - Materials and Expenses	$0	**Yes**
5085	Miscellaneous Distribution Expense	$0	**Yes**
5090	Underground Distribution Lines and Feeders - Rental Paid	$0	**Yes**
5095	Overhead Distribution Lines and Feeders - Rental Paid	$0	**Yes**
5096	Other Rent	$0	**Yes**
5105	Maintenance Supervision and Engineering	$0	**Yes**
5110	Maintenance of Buildings and Fixtures - Distribution Stations	$0	**Yes**
5112	Maintenance of Transformer Station Equipment	$0	**Yes**
5114	Maintenance of Distribution Station Equipment	$0	**Yes**
5120	Maintenance of Poles, Towers and Fixtures	$0	**Yes**
5125	Maintenance of Overhead Conductors and Devices	$0	**Yes**
5130	Maintenance of Overhead Services	$0	**Yes**
5135	Overhead Distribution Lines and Feeders - Right of Way	$0	**Yes**
5145	Maintenance of Underground Conduit	$0	**Yes**
5150	Maintenance of Underground Conductors and Devices	$0	**Yes**
5155	Maintenance of Underground Services	$0	**Yes**
5160	Maintenance of Line Transformers	$0	**Yes**
5175	Maintenance of Meters	$0	**Yes**
5305	Supervision	$0	**Yes**
5310	Meter Reading Expense	$0	**Yes**
5315	Customer Billing	$0	**Yes**
5320	Collecting	$0	**Yes**
5325	Collecting- Cash Over and Short	$0	**Yes**
5330	Collection Charges	$0	**Yes**
5335	Bad Debt Expense	$0	**Yes**
5340	Miscellaneous Customer Accounts Expenses	$0	**Yes**
5405	Supervision	$0	**Yes**
5410	Community Relations - Sundry	$0	**Yes**
5415	Energy Conservation	$0	**Yes**
5420	Community Safety Program	$0	**Yes**
5425	Miscellaneous Customer Service and Informational Expenses	$0	**Yes**
5505	Supervision	$0	**Yes**
5510	Demonstrating and Selling Expense	$0	**Yes**
5515	Advertising Expense	$0	**Yes**
5520	Miscellaneous Sales Expense	$0	**Yes**
5605	Executive Salaries and Expenses	$0	**Yes**
5610	Management Salaries and Expenses	$0	**Yes**
5615	General Administrative Salaries and Expenses	$0	**Yes**
5620	Office Supplies and Expenses	$0	**Yes**

5625	Administrative Expense Transferred Credit	$0	**Yes**
5630	Outside Services Employed	$0	**Yes**
5635	Property Insurance	$0	**Yes**
5640	Injuries and Damages	$0	**Yes**
5645	Employee Pensions and Benefits	$0	**Yes**
5650	Franchise Requirements	$0	**Yes**
5655	Regulatory Expenses	$0	**Yes**
5660	General Advertising Expenses	$0	**Yes**
5665	Miscellaneous General Expenses	$0	**Yes**
5670	Rent	$0	**Yes**
5675	Maintenance of General Plant	$0	**Yes**
5680	Electrical Safety Authority Fees	$0	**Yes**
5705	Amortization Expense - Property, Plant, and Equipment	$0	**Yes**
5710	Amortization of Limited Term Electric Plant	$0	**Yes**
5715	Amortization of Intangibles and Other Electric Plant	$0	**Yes**
5720	Amortization of Electric Plant Acquisition Adjustments	$0	**Yes**
6105	Taxes Other Than Income Taxes	$0	**Yes**
6205	Donations	$0	**Yes**
6210	Life Insurance	$0	**Yes**
6215	Penalties	$0	**Yes**
6225	Other Deductions	$0	**Yes**
	Total Expenses		
	Depreciation Expense		

Total Net Fixed Assets Excluding Gen Plant	**$97,840,684**	**Allocated**
Approved Total PILs	**$2,075,321**	**$0**
Approved Total Return on Debt	**$1,920,162**	**$0**
Approved Total Return on Equity	**$2,383,649**	**$0**

Total

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O1 Revenue to Cost Summary Worksheet - Second Run

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets		Total	1 Residential (R1)	2 GS <50 (C1)	3 GS>50 kW < 200 kW (I1)	4 GS>200 kW < 1000 kW (I4)	5 GS>1000 kW < 5000 kW (I2 - Intermediate)	6 Large Use >5MW (I3)
crev	Distribution Revenue (sale)	$17,624,988	$9,296,581	$2,918,964	$2,912,487	$472,955	$948,572	$846,488
mi	Miscellaneous Revenue (mi)	$1,275,327	$849,206	$163,704	$174,669	$13,926	$18,217	$15,466
	Total Revenue	**$18,900,315**	**$10,145,787**	**$3,082,668**	**$3,087,156**	**$486,881**	**$966,789**	**$861,954**
	Expenses							
di	Distribution Costs (di)	$1,483,492	$869,001	$166,223	$277,453	$15,544	$23,663	$27,212
cu	Customer Related Costs (cu)	$1,846,242	$1,282,694	$273,984	$212,754	$49,762	$12,215	$12,233
ad	General and Administration (ad)	$5,807,738	$3,725,420	$762,907	$871,650	$111,522	$65,728	$72,856
dep	Depreciation and Amortization (dep)	$3,383,711	$1,935,057	$404,933	$650,236	$45,387	$65,464	$77,538
INPUT	PILs (INPUT)	$2,075,321	$1,186,524	$249,658	$399,300	$28,227	$39,913	$47,162
INT	Interest	$1,920,162	$1,097,815	$230,992	$369,447	$26,117	$36,929	$43,636
	Total Expenses	**$16,516,666**	**$10,096,512**	**$2,088,696**	**$2,780,841**	**$276,558**	**$243,913**	**$280,637**
	Direct Allocation	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
NI	Allocated Net Income (NI)	$2,383,649	$1,362,805	$286,749	$458,623	$32,421	$45,843	$54,169
	Revenue Requirement (includes NI)	**$18,900,315**	$11,459,316	$2,375,445	$3,239,464	$308,979	$289,756	$334,806
	$18,900,315	**Revenue Requirement Input equals Output**						
	($0)							

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O1 Revenue to Cost Summary Worksheet - Second Run

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets		Total	1 Residential (R1)	2 GS <50 (C1)	3 GS>50 kW < 200 kW (I1)	4 GS>200 kW < 1000 kW (I4)	5 GS>1000 kW < 5000 kW (I2 - Intermediate)	6 Large Use >5MW (I3)
	Rate Base Calculation							
	Net Assets							
dp	Distribution Plant - Gross	$97,840,684	$55,900,517	$11,694,202	$18,909,577	$1,299,760	$1,882,269	$2,224,081
gp	General Plant - Gross	$7,928,026	$4,552,241	$939,915	$1,509,979	$103,985	$150,857	$178,271
accum dep	Accumulated Depreciation	($58,755,351)	($33,457,872)	($7,060,402)	($11,465,348)	($787,111)	($1,138,540)	($1,345,202)
co	Capital Contribution	($7,677,787)	($4,502,526)	($843,845)	($1,388,270)	($82,216)	($138,323)	($163,531)
	Total Net Plant	$39,335,572	$22,492,360	$4,729,869	$7,565,938	$534,418	$756,263	$893,619
	Directly Allocated Net Fixed Assets	$0	$0	$0	$0	$0	$0	$0
COP	Cost of Power (COP)	$82,047,930	$34,554,010	$9,717,047	$19,170,895	$3,115,811	$8,039,123	$6,695,288
	OM&A Expenses	$9,137,472	$5,877,116	$1,203,114	$1,361,858	$176,828	$101,607	$112,300
	Directly Allocated Expenses	$0	$0	$0	$0	$0	$0	$0
	Subtotal	***$91,185,402***	***$40,431,126***	***$10,920,161***	***$20,532,753***	***$3,292,639***	***$8,140,729***	***$6,807,588***
	Working Capital $53,013,382	$13,677,810	$6,064,669	$1,638,024	$3,079,913	$493,896	$1,221,109	$1,021,138
	Total Rate Base	$53,013,383	$28,557,029	$6,367,894	$10,645,851	$1,028,314	$1,977,373	$1,914,757
	($1)	Rate Base Input equals Output						
	Equity Component of Rate Base	$26,506,691	$14,278,514	$3,183,947	$5,322,926	$514,157	$988,686	$957,378
	Net Income on Allocated Assets	$2,383,649	$49,276	$993,971	$306,315	$210,323	$722,876	$581,317
	Net Income on Direct Allocation Assets	$0	$0	$0	$0	$0	$0	$0
	Net Income	$2,383,649	$49,276	$993,971	$306,315	$210,323	$722,876	$581,317
	RATIOS ANALYSIS							
	REVENUE TO EXPENSES %	100.00%	88.54%	129.77%	95.30%	157.58%	333.66%	257.45%
	EXISTING REVENUE MINUS ALLOCATED COSTS	($0)	($1,313,529)	$707,222	($152,308)	$177,902	$677,033	$527,148
	RETURN ON EQUITY COMPONENT OF RATE BASE	8.99%	0.35%	31.22%	5.75%	40.91%	73.11%	60.72%

2006 COST ALLOCATION INFORMATION FILI
Oshawa PUC Networks Inc.
EB-2005-0402 EB-2006-0247
Monday, January 15, 2007
Sheet O1 Revenue to Cost Summary Wo

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets			Total	7 Street Light	8 Sentinel	9 Unmetered Scattered Load (USL)
crev	Distribution Revenue (sale)		$17,624,988	$154,841	$3,226	$70,874
mi	Miscellaneous Revenue (mi)		$1,275,327	$37,565	$288	$2,285
	Total Revenue		$18,900,315	$192,406	$3,514	$73,159
	Expenses					
di	Distribution Costs (di)		$1,483,492	$98,079	$750	$5,567
cu	Customer Related Costs (cu)		$1,846,242	$17	$2	$2,581
ad	General and Administration (ad)		$5,807,738	$181,697	$1,391	$14,568
dep	Depreciation and Amortization (dep)		$3,383,711	$192,183	$1,468	$11,445
INPUT	PILs (INPUT)		$2,075,321	$116,696	$891	$6,950
INT	Interest		$1,920,162	$107,971	$825	$6,431
	Total Expenses		$16,516,666	$696,642	$5,327	$47,541
	Direct Allocation		$0	$0	$0	$0
NI	Allocated Net Income (NI)		$2,383,649	$134,033	$1,024	$7,983
	Revenue Requirement (includes NI)		$18,900,315	$830,675	$6,351	$55,523
		$18,900,315	Revenue Re			
		($0)				

Ontario

2006 COST ALLOCATION INFORMATION FILI

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O1 Revenue to Cost Summary Wo

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets		Total	7 Street Light	8 Sentinel	9 Unmetered Scattered Load (USL)
	Rate Base Calculation				
	Net Assets				
dp	Distribution Plant - Gross	$97,840,684	$5,555,640	$42,444	$332,193
gp	General Plant - Gross	$7,928,026	$462,147	$3,530	$27,100
accum dep	Accumulated Depreciation	($58,755,351)	($3,277,246)	($25,039)	($198,591)
co	Capital Contribution	($7,677,787)	($526,172)	($4,021)	($28,882)
	Total Net Plant	$39,335,572	$2,214,370	$16,915	$131,820
	Directly Allocated Net Fixed Assets	$0	$0	$0	$0
COP	Cost of Power (COP)	$82,047,930	$544,988	$3,017	$207,751
	OM&A Expenses	$9,137,472	$279,792	$2,142	$22,715
	Directly Allocated Expenses	$0	$0	$0	$0
	Subtotal	***$91,185,402***	***$824,780***	***$5,159***	***$230,466***
	Working Capital $53,013,382	$13,677,810	$123,717	$774	$34,570
	Total Rate Base	$53,013,383	$2,338,087	$17,689	$166,390
	($1)	Rate B			
	Equity Component of Rate Base	$26,506,691	$1,169,043	$8,844	$83,195
	Net Income on Allocated Assets	$2,383,649	($504,235)	($1,813)	$25,618
	Net Income on Direct Allocation Assets	$0	$0	$0	$0
	Net Income	$2,383,649	($504,235)	($1,813)	$25,618
	RATIOS ANALYSIS				
	REVENUE TO EXPENSES %	100.00%	23.16%	55.33%	131.76%
	EXISTING REVENUE MINUS ALLOCATED COSTS	($0)	($638,268)	($2,837)	$17,635
	RETURN ON EQUITY COMPONENT OF RATE BASE	8.99%	-43.13%	-20.50%	30.79%

2006 COST ALLOCATION INFORMATION FILI

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O1 Revenue to Cost Summary Wo

Class Revenue, Cost Analysis, and Return on Rate Base

			Total
Rate Base Assets			
crev	Distribution Revenue (sale)		$17,624,988
mi	Miscellaneous Revenue (mi)		$1,275,327
	Total Revenue		$18,900,315
	Expenses		
di	Distribution Costs (di)		$1,483,492
cu	Customer Related Costs (cu)		$1,846,242
ad	General and Administration (ad)		$5,807,738
dep	Depreciation and Amortization (dep)		$3,383,711
INPUT	PILs (INPUT)		$2,075,321
INT	Interest		$1,920,162
	Total Expenses		$16,516,666
	Direct Allocation		$0
NI	Allocated Net Income (NI)		$2,383,649
	Revenue Requirement (includes NI)		$18,900,315
		$18,900,315	Revenue Re
		($0)	

2006 COST ALLOCATION INFORMATION FILI

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O1 Revenue to Cost Summary Wo

Ontario

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets		Total
	Rate Base Calculation	
	Net Assets	
dp	Distribution Plant - Gross	$97,840,684
gp	General Plant - Gross	$7,928,026
accum dep	Accumulated Depreciation	($58,755,351)
co	Capital Contribution	($7,677,787)
	Total Net Plant	$39,335,572
	Directly Allocated Net Fixed Assets	$0
COP	Cost of Power (COP)	$82,047,930
	OM&A Expenses	$9,137,472
	Directly Allocated Expenses	$0
	Subtotal	*$91,185,402*
	Working Capital	$13,677,810
	$53,013,382	
	Total Rate Base	$53,013,383
	($1)	**Rate B**
	Equity Component of Rate Base	$26,506,691
	Net Income on Allocated Assets	$2,383,649
	Net Income on Direct Allocation Assets	$0
	Net Income	$2,383,649
	RATIOS ANALYSIS	
	REVENUE TO EXPENSES %	100.00%
	EXISTING REVENUE MINUS ALLOCATED COSTS	($0)
	RETURN ON EQUITY COMPONENT OF RATE BASE	8.99%

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O2 Monthly Fixed Charge Min. & Max. Worksheet - Second Run

Output sheet showing minimum and maximum level for Monthly Fixed Charge

Summary

	1	2	3	4	5	6
	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)
Customer Unit Cost per month - Avoided Cost	$2.62	$8.80	$59.72	$83.66	$225.43	$1,063.13
Customer Unit Cost per month - Directly Related	$5.98	$18.87	$122.82	$174.51	$500.86	$2,040.71
Customer Unit Cost per month - Minimum System with PLCC Adjustment	$12.23	$25.21	$140.90	$191.04	$510.82	$2,081.73
Fixed Charge per approved 2006 EDR	$7.29	$8.75	$40.23	$40.23	$1,934.86	$10,418.47

Information to be Used to Allocate PILs, ROD, ROE and A&G

	Total	1 Residential (R1)	2 GS <50 (C1)	3 GS>50 kW < 200 kW (I1)	4 GS>200 kW < 1000 kW (I4)	5 GS>1000 kW < 5000 kW (I2 - Intermediate)	6 Large Use >5MW (I3)
General Plant - Gross Assets	$7,928,026	$4,552,241	$939,915	$1,509,979	$103,985	$150,857	$178,271
General Plant - Accumulated Depreciation	($6,703,925)	($3,849,367)	($794,790)	($1,276,836)	($87,930)	($127,565)	($150,746)
General Plant - Net Fixed Assets	$1,224,101	$702,874	$145,125	$233,143	$16,055	$23,293	$27,525

General Plant - Depreciation	$391,191	$224,620	$46,378	$74,507	$5,131	$7,444	$8,796
Total Net Fixed Assets Excluding General Plant	$38,111,471	$21,789,486	$4,584,745	$7,332,795	$518,363	$732,971	$866,093
Total Administration and General Expense	$5,807,738	$3,725,420	$762,907	$871,650	$111,522	$65,728	$72,856
Total O&M	$3,329,734	$2,151,696	$440,207	$490,208	$65,306	$35,878	$39,444

Scenario 1

Accounts included in Avoided Costs Plus General Administration Allocation

			1	2	3	4	5	6
USoA Account #	**Accounts**	**Total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**
	Distribution Plant							
1860	Meters							
	Accumulated Amortization							
	Accum. Amortization of Electric Utility Plant - Meters only							
	Meter Net Fixed Assets							
	Misc Revenue							
4082	Retail Services Revenues							
4084	Service Transaction Requests (STR) Revenues							
4090	Electric Services Incidental to Energy Sales							
4220	Other Electric Revenues							
4225	Late Payment Charges							
	Sub-total							
	Operation							
5065	Meter Expense							
5070	Customer Premises - Operation Labour							

5075	Customer Premises - Materials and Expenses
	Sub-total
	Maintenance
5175	Maintenance of Meters
	Billing and Collection
5310	Meter Reading Expense
5315	Customer Billing
5320	Collecting
5325	Collecting- Cash Over and Short
5330	Collection Charges
	Sub-total
	Total Operation, Maintenance and Billing
	Amortization Expense - Meters
	Allocated PILs
	Allocated Debt Return
	Allocated Equity Return
	Total

Scenario 2

Accounts included in Directly Related Customer Costs Plus General Administration Allocation

USoA Account #	Accounts							
	Distribution Plant							
1860	Meters							
	Accumulated Amortization							

	Accum. Amortization of Electric Utility Plant - Meters only
	Meter Net Fixed Assets
	Allocated General Plant Net Fixed Assets
	Meter Net Fixed Assets Including General Plant
	Misc Revenue
4082	Retail Services Revenues
4084	Service Transaction Requests (STR) Revenues
4090	Electric Services Incidental to Energy Sales
4220	Other Electric Revenues
4225	Late Payment Charges
	Sub-total
	Operation
5065	Meter Expense
5070	Customer Premises - Operation Labour
5075	Customer Premises - Materials and Expenses
	Sub-total
	Maintenance
5175	Maintenance of Meters
	Billing and Collection
5310	Meter Reading Expense
5315	Customer Billing
5320	Collecting
5325	Collecting- Cash Over and Short
5330	Collection Charges
	Sub-total
	Total Operation, Maintenance and Billing

Amortization Expense - Meters
Amortization Expense - General Plant assigned to Meters
Admin and General
Allocated PILs
Allocated Debt Return
Allocated Equity Return

Total

Scenario 3

Minimum System Customer Costs Adjusted for PLCC - High Limit Fixed Customer Charge

USoA Account #	Accounts							
	Distribution Plant							
1565	Conservation and Demand Management Expenditures and Recoveries							
1830	Poles, Towers and Fixtures							
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery							
1830-4	Poles, Towers and Fixtures - Primary							
1830-5	Poles, Towers and Fixtures - Secondary							
1835	Overhead Conductors and Devices							
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery							
1835-4	Overhead Conductors and Devices - Primary							
1835-5	Overhead Conductors and Devices - Secondary							
1840	Underground Conduit							
1840-3	Underground Conduit - Bulk Delivery							
1840-4	Underground Conduit - Primary							
1840-5	Underground Conduit - Secondary							
1845	Underground Conductors and Devices							
1845-3	Underground Conductors and Devices - Bulk Delivery							

1845-4	Underground Conductors and Devices - Primary
1845-5	Underground Conductors and Devices - Secondary
1850	Line Transformers
1855	Services
1860	Meters

Sub-total

Accumulated Amortization

Accum. Amortization of Electric Utility Plant -Line Transformers, Services and Meters

Customer Related Net Fixed Assets
Allocated General Plant Net Fixed Assets
Customer Related NFA Including General Plant

Misc Revenue

4082	Retail Services Revenues
4084	Service Transaction Requests (STR) Revenues
4090	Electric Services Incidental to Energy Sales
4220	Other Electric Revenues
4225	Late Payment Charges
4235	Miscellaneous Service Revenues

Sub-total

Operating and Maintenance

5005	Operation Supervision and Engineering
5010	Load Dispatching
5020	Overhead Distribution Lines and Feeders - Operation Labour
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses
5035	Overhead Distribution Transformers- Operation
5040	Underground Distribution Lines and Feeders - Operation Labour

5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses
5055	Underground Distribution Transformers - Operation
5065	Meter Expense
5070	Customer Premises - Operation Labour
5075	Customer Premises - Materials and Expenses
5085	Miscellaneous Distribution Expense
5090	Underground Distribution Lines and Feeders - Rental Paid
5095	Overhead Distribution Lines and Feeders - Rental Paid
5096	Other Rent
5105	Maintenance Supervision and Engineering
5120	Maintenance of Poles, Towers and Fixtures
5125	Maintenance of Overhead Conductors and Devices
5130	Maintenance of Overhead Services
5135	Overhead Distribution Lines and Feeders - Right of Way
5145	Maintenance of Underground Conduit
5150	Maintenance of Underground Conductors and Devices
5155	Maintenance of Underground Services
5160	Maintenance of Line Transformers
5175	Maintenance of Meters
	Sub-total
	Billing and Collection
5305	Supervision
5310	Meter Reading Expense
5315	Customer Billing
5320	Collecting
5325	Collecting- Cash Over and Short
5330	Collection Charges
5335	Bad Debt Expense
5340	Miscellaneous Customer Accounts Expenses

Sub-total

Sub Total Operating, Maintenance and Biling

Amortization Expense - Customer Related
Amortization Expense - General Plant assigned to Meters
Admin and General
Allocated PILs
Allocated Debt Return
Allocated Equity Return

PLCC Adjustment for Line Transformer
PLCC Adjustment for Primary Costs
PLCC Adjustment for Secondary Costs

Total

Below: Grouping to avoid disclosure

Scenario 1

Accounts included in Avoided Costs Plus General Administration Allocation

Accounts	Total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)
Distribution Plant							
CWMC	$ 7,077,387	$ 3,726,056	$ 1,425,709	$ 1,427,641	$ 259,484	$ 111,298	$ 127,198
Accumulated Amortization							
Accum. Amortization of Electric Utility Plant - Meters only	$ (3,925,291)	$ (2,066,562)	$ (790,733)	$ (791,804)	$ (143,916)	$ (61,729)	$ (70,547)
Meter Net Fixed Assets	$ 3,152,096	$ 1,659,495	$ 634,976	$ 635,836	$ 115,568	$ 49,570	$ 56,651

Misc Revenue							
CWNB	$ (42)	$ (33)	$ (6)	$ (3)	$ (1)	$ (0)	$ (0)
NFA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
LPHA	$ (200,532)	$ (152,905)	$ (26,544)	$ (16,165)	$ -	$ (4,918)	$ -
Sub-total	$ (200,574)	$ (152,938)	$ (26,550)	$ (16,168)	$ (1)	$ (4,918)	$ (0)
Operation							
CWMC	$ 597,169	$ 314,394	$ 120,297	$ 120,460	$ 21,895	$ 9,391	$ 10,733
CCA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 597,169	$ 314,394	$ 120,297	$ 120,460	$ 21,895	$ 9,391	$ 10,733
Maintenance							
1860	$ 30,540	$ 16,079	$ 6,152	$ 6,161	$ 1,120	$ 480	$ 549
Billing and Collection							
CWMR	$ 160,098	$ 125,207	$ 16,330	$ 3,249	$ 13,336	$ 1,537	$ 439
CWNB	$ 723,052	$ 558,762	$ 100,956	$ 53,306	$ 8,604	$ 807	$ 512
Sub-total	$ 883,150	$ 683,970	$ 117,286	$ 56,555	$ 21,940	$ 2,344	$ 951
Total Operation, Maintenance and Billing	$ 1,510,859	$ 1,014,442	$ 243,735	$ 183,176	$ 44,954	$ 12,215	$ 12,233
Amortization Expense - Meters	$ 227,330	$ 119,683	$ 45,795	$ 45,857	$ 8,335	$ 3,575	$ 4,086
Allocated PILs	$ 166,325	$ 87,542	$ 33,516	$ 33,557	$ 6,104	$ 2,616	$ 2,990
Allocated Debt Return	$ 153,890	$ 80,997	$ 31,010	$ 31,048	$ 5,648	$ 2,421	$ 2,766
Allocated Equity Return	$ 191,036	$ 100,548	$ 38,496	$ 38,542	$ 7,011	$ 3,005	$ 3,434
Total	**$ 2,048,866**	**$ 1,250,275**	**$ 366,002**	**$ 316,012**	**$ 72,051**	**$ 18,913**	**$ 25,509**

Scenario 2

Accounts included in Directly Related Customer Costs Plus General Administration Allocation

Accounts	Total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)
Distribution Plant							
CWMC	$ 7,077,387	$ 3,726,056	$ 1,425,709	$ 1,427,641	$ 259,484	$ 111,298	$ 127,198
Accumulated Amortization							
Accum. Amortization of Electric Utility Plant - Meters only	$ (3,925,291)	$ (2,066,562)	$ (790,733)	$ (791,804)	$ (143,916)	$ (61,729)	$ (70,547)
Meter Net Fixed Assets	$ 3,152,096	$ 1,659,495	$ 634,976	$ 635,836	$ 115,568	$ 49,570	$ 56,651
Allocated General Plant Net Fixed Assets	$ 100,802	$ 53,531	$ 20,099	$ 20,216	$ 3,580	$ 1,575	$ 1,800
Meter Net Fixed Assets Including General Plant	$ 3,252,898	$ 1,713,026	$ 655,075	$ 656,053	$ 119,148	$ 51,145	$ 58,451
Misc Revenue							
CWNB	$ (42)	$ (33)	$ (6)	$ (3)	$ (1)	$ (0)	$ (0)
NFA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
LPHA	$ (200,532)	$ (152,905)	$ (26,544)	$ (16,165)	$ -	$ (4,918)	$ -
Sub-total	*$ (200,574)*	*$ (152,938)*	*$ (26,550)*	*$ (16,168)*	*$ (1)*	*$ (4,918)*	*$ (0)*
Operation							
CWMC	$ 597,169	$ 314,394	$ 120,297	$ 120,460	$ 21,895	$ 9,391	$ 10,733
CCA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	*$ 597,169*	*$ 314,394*	*$ 120,297*	*$ 120,460*	*$ 21,895*	*$ 9,391*	*$ 10,733*
Maintenance							
1860	$ 30,540	$ 16,079	$ 6,152	$ 6,161	$ 1,120	$ 480	$ 549
Billing and Collection							
CWMR	$ 160,098	$ 125,207	$ 16,330	$ 3,249	$ 13,336	$ 1,537	$ 439
CWNB	$ 723,052	$ 558,762	$ 100,956	$ 53,306	$ 8,604	$ 807	$ 512
Sub-total	*$ 883,150*	*$ 683,970*	*$ 117,286*	*$ 56,555*	*$ 21,940*	*$ 2,344*	*$ 951*
Total Operation, Maintenance and Billing	$ 1,510,859	$ 1,014,442	$ 243,735	$ 183,176	$ 44,954	$ 12,215	$ 12,233
Amortization Expense - Meters	$ 227,330	$ 119,683	$ 45,795	$ 45,857	$ 8,335	$ 3,575	$ 4,086
Amortization Expense - General Plant assigned to Meters	$ 32,214	$ 17,107	$ 6,423	$ 6,461	$ 1,144	$ 503	$ 575
Admin and General	$ 2,626,437	$ 1,756,393	$ 422,408	$ 325,709	$ 76,768	$ 22,378	$ 22,595

Allocated PILs	$ 171,644	$ 90,366	$ 34,577	$ 34,624	$ 6,293	$ 2,699	$ 3,085
Allocated Debt Return	$ 158,811	$ 83,610	$ 31,992	$ 32,035	$ 5,823	$ 2,497	$ 2,854
Allocated Equity Return	$ 197,145	$ 103,792	$ 39,714	$ 39,768	$ 7,228	$ 3,100	$ 3,543
Total	**$ 4,723,866**	**$ 3,032,455**	**$ 798,094**	**$ 651,461**	**$ 150,544**	**$ 42,050**	**$ 48,971**

Scenario 3

Minimum System Customer Costs Adjusted for PLCC - High Limit Fixed Customer Charge

USoA Account #	Accounts	Total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)
	Distribution Plant							
	CDMPP	$ 400,000	$ 258,483	$ 52,882	$ 58,889	$ 7,845	$ 4,310	$ 4,738
	Poles, Towers and Fixtures	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	BCP	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	PNCP	$ 12,467,619	$ 9,384,412	$ 757,874	$ 93,887	$ 15,259	$ 1,484	$ 424
	SNCP	$ 13,662,263	$ 10,289,395	$ 830,030	$ 101,081	$ 13,710	$ 232	$ -
	Overhead Conductors and Devices	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	LTNCP	$ 6,203,486	$ 4,671,685	$ 377,069	$ 46,105	$ 6,225	$ 106	$ -
	CWCS	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	CWMC	$ 7,077,387	$ 3,726,056	$ 1,425,709	$ 1,427,641	$ 259,484	$ 111,298	$ 127,198
	Sub-total	*$ 39,810,756*	*$ 28,330,031*	*$ 3,443,563*	*$ 1,727,602*	*$ 302,523*	*$ 117,430*	*$ 132,361*
	Accumulated Amortization							
	Accum. Amortization of Electric Utility Plant -Line Transformers, Services and Meters	$ (23,833,775)	$ (17,056,737)	$ (2,000,626)	$ (940,237)	$ (165,557)	$ (62,837)	$ (70,804)
	Customer Related Net Fixed Assets	$ 15,976,980	$ 11,273,294	$ 1,442,937	$ 787,365	$ 136,966	$ 54,593	$ 61,557
	Allocated General Plant Net Fixed Assets	$ 516,186	$ 363,648	$ 45,674	$ 25,034	$ 4,242	$ 1,735	$ 1,956
	Customer Related NFA Including General Plant	$ 16,493,166	$ 11,636,942	$ 1,488,611	$ 812,399	$ 141,209	$ 56,328	$ 63,513
	Misc Revenue							
	CWNB	$ (406,899)	$ (314,445)	$ (56,813)	$ (29,998)	$ (4,842)	$ (454)	$ (288)

NFA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
LPHA	$ (200,532)	$ (152,905)	$ (26,544)	$ (16,165)	$ -	$ (4,918)	$ -
Sub-total	*$ (607,431)*	*$ (467,350)*	*$ (83,357)*	*$ (46,163)*	*$ (4,842)*	*$ (5,372)*	*$ (288)*
Operating and Maintenance							
1815-1855	$ 19,328	$ 14,553	$ 1,175	$ 144	$ 21	$ 1	$ 0
1830 & 1835	$ 302,798	$ 227,973	$ 18,402	$ 2,263	$ 341	$ 23	$ 6
1850	$ 115,739	$ 87,160	$ 7,035	$ 860	$ 116	$ 2	$ -
1840 & 1845	$ 71,994	$ 54,208	$ 4,375	$ 536	$ 79	$ 4	$ 1
CWMC	$ 597,169	$ 314,394	$ 120,297	$ 120,460	$ 21,895	$ 9,391	$ 10,733
CCA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
O&M	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1830	$ 54,054	$ 40,710	$ 3,284	$ 400	$ 54	$ 1	$ -
1835	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1855	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1840	$ 8,514	$ 6,412	$ 517	$ 63	$ 9	$ 0	$ -
1845	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1860	$ 30,540	$ 16,079	$ 6,152	$ 6,161	$ 1,120	$ 480	$ 549
Sub-total	*$ 1,200,137*	*$ 761,489*	*$ 161,237*	*$ 130,887*	*$ 23,634*	*$ 9,902*	*$ 11,289*
Billing and Collection							
CWNB	$ 723,052	$ 558,762	$ 100,956	$ 53,306	$ 8,604	$ 807	$ 512
CWMR	$ 160,098	$ 125,207	$ 16,330	$ 3,249	$ 13,336	$ 1,537	$ 439
BDHA	$ 335,383	$ 268,253	$ 30,249	$ 29,579	$ 4,807	$ -	$ -
Sub-total	*$ 1,218,533*	*$ 952,222*	*$ 147,535*	*$ 86,134*	*$ 26,747*	*$ 2,344*	*$ 951*
Sub Total Operating, Maintenance and Biling	*$ 2,418,670*	*$ 1,713,711*	*$ 308,772*	*$ 217,021*	*$ 50,382*	*$ 12,246*	*$ 12,240*
Amortization Expense - Customer Related	$ 1,242,106	$ 880,341	$ 109,751	$ 57,896	$ 10,035	$ 3,977	$ 4,478
Amortization Expense - General Plant assigned to Meters	$ 164,960	$ 116,213	$ 14,596	$ 8,000	$ 1,356	$ 554	$ 625
Admin and General	$ 4,212,023	$ 2,967,099	$ 535,121	$ 385,890	$ 86,036	$ 22,434	$ 22,608
Allocated PILs	$ 870,010	$ 613,876	$ 78,574	$ 42,875	$ 7,458	$ 2,973	$ 3,352
Allocated Debt Return	$ 804,965	$ 567,980	$ 72,699	$ 39,670	$ 6,901	$ 2,751	$ 3,101
Allocated Equity Return	$ 999,266	$ 705,078	$ 90,247	$ 49,245	$ 8,566	$ 3,414	$ 3,850
PLCC Adjustment for Line Transformer	$ 138,112	$ 125,705	$ 10,144	$ 1,248	$ 167	$ 3	$ -

PLCC Adjustment for Primary Costs	$	265,365	$	241,393	$	19,488	$	2,427	$	389	$	38	$	11
PLCC Adjustment for Secondary Costs	$	410,044	$	377,083	$	26,680	$	3,160	$	511	$	49	$	-
Total	**$**	**9,291,048**	**$**	**6,352,766**	**$**	**1,070,090**	**$**	**747,599**	**$**	**164,825**	**$**	**42,886**	**$**	**49,955**

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O2.1 Line Transformer Worksheet - Second Run

Line Transformers Demand Unit Cost for PLCC
Adjustment to Customer Related Cost
Allocation by rate classification

		1	2
Description	**Total**	**Residential (R1)**	**GS <50 (C1)**
Depreciation on Acct 1850 Line Transformers	$248,547	$126,551	$37,986
Depreciation on General Plant Assigned to Line Transformers	$29,351	$15,064	$4,437
Acct 5035 - Overhead Distribution Transformers- Operation	$82,671	$42,093	$12,635
Acct 5055 - Underground Distribution Transformers - Operation	$82,671	$42,093	$12,635
Acct 5160 - Maintenance of Line Transformers	$8,267	$4,209	$1,263
Allocation of General Expenses	$4,700	$2,393	$718
Admin and General Assigned to Line Transformers	$303,265	$153,046	$45,983
PILs on Line Transformers	$156,285	$79,575	$23,885
Debt Return on Line Transformers	$144,601	$73,625	$22,099
Equity Return on Line Transformers	$179,504	$91,397	$27,434
Total	**$1,239,862**	**$630,046**	**$189,076**
Line Tranformer NCP	697,413	355,097	106,587
PLCC Amount	86,168	70,848	5,718
Adjustment to Customer Related Cost for PLCC	**$138,112**	**$125,705**	**$10,144**
General Plant - Gross Assets	$7,928,026	$4,552,241	$939,915
General Plant - Accumulated Depreciation	($6,703,925)	($3,849,367)	($794,790)

General Plant - Net Fixed Assets	$1,224,101	$702,874	$145,125
General Plant - Depreciation	$391,191	$224,620	$46,378
Total Net Fixed Assets Excluding General Plant	**$38,111,471**	**$21,789,486**	**$4,584,745**
Total Administration and General Expense	$5,807,738	$3,725,420	$762,907
Total O&M	**$3,329,734**	**$2,151,696**	**$440,207**
Line Transformer Rate Base			
Acct 1850 - Line Transformers - Gross Assets	$9,305,230	$4,737,877	$1,422,130
Line Transformers - Accumulated Depreciation	($6,435,191)	($3,276,560)	($983,499)
Line Transformers - Net Fixed Assets	$2,870,039	$1,461,317	$438,632
General Plant Assigned to Line Transformers - NFA	$91,846	$47,138	$13,884
Line Transformer Net Fixed Assets Including General Plant	$2,961,884	$1,508,456	$452,516
General Expenses			
Acct 5005 - Operation Supervision and Engineering	$28,993	$13,770	$4,132
Acct 5010 - Load Dispatching	$0	$0	$0
Acct 5085 - Miscellaneous Distribution Expense	$0	$0	$0
Acct 5105 - Maintenance Supervision and Engineering	$0	$0	$0
Total	$28,993	$13,770	$4,132
Acct 1850 - Line Transformers - Gross Assets	$9,305,230	$4,737,877	$1,422,130
Acct 1815 - 1855	$57,397,312	$27,260,876	$8,181,020

3	4	5	6	7	8	9
GS>50 kW < 200 kW (I1)	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**
$79,001	$3,115	$1,115	$0	$0	$0	$779
$9,269	$356	$131	$0	$0	$0	$94
$26,277	$1,036	$371	$0	$0	$0	$259
$26,277	$1,036	$371	$0	$0	$0	$259
$2,628	$104	$37	$0	$0	$0	$26
$1,494	$59	$21	$0	$0	$0	$15
$98,120	$3,716	$1,427	$0	$0	$0	$973
$49,676	$1,959	$701	$0	$0	$0	$490
$45,962	$1,812	$649	$0	$0	$0	$453
$57,056	$2,250	$805	$0	$0	$0	$562
$395,760	**$15,442**	**$5,629**	**$0**	**$0**	**$0**	**$3,909**
221,675	8,741	3,129	0	0	0	2,185
699	94	2	0	8,296	38	472
$1,248	**$167**	**$3**	**$0**	**$0**	**$0**	**$844**
$1,509,979	$103,985	$150,857	$178,271	$462,147	$3,530	$27,100
($1,276,836)	($87,930)	($127,565)	($150,746)	($390,791)	($2,985)	($22,915)

$233,143	$16,055	$23,293	$27,525	$71,356	$545	$4,184
$74,507	$5,131	$7,444	$8,796	$22,804	$174	$1,337
$7,332,795	**$518,363**	**$732,971**	**$866,093**	**$2,143,014**	**$16,370**	**$127,636**
$871,650	$111,522	$65,728	$72,856	$181,697	$1,391	$14,568
$490,208	**$65,306**	**$35,878**	**$39,444**	**$98,096**	**$751**	**$8,147**
$2,957,693	$116,621	$41,754	$0	$0	$0	$29,153
($2,045,443)	($80,651)	($28,876)	$0	$0	$0	($20,161)
$912,250	$35,970	$12,878	$0	$0	$0	$8,992
$29,005	$1,114	$409	$0	$0	$0	$295
$941,255	$37,084	$13,288	$0	$0	$0	$9,287
$8,597	$497	$875	$1,037	$0	$0	$85
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$8,597	$497	$875	$1,037	$0	$0	$85
$2,957,693	$116,621	$41,754	$0	$0	$0	$29,153
$17,019,163	$983,664	$1,732,159	$2,052,689	$0	$0	$167,743

10	11	12	13	14	15	16
Embedded Distributor	**Back-up/Standby Power**	**Rate Class 1**	**Rate class 2**	**Rate class 3**	**Rate class 4**	**Rate class 5**
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
0	0	0	0	0	0	0
0	0	0	0	0	0	0
$0	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0

$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
$0	$0	$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0

17	18	19	20
Rate class 6	**Rate class 7**	**Rate class 8**	**Rate class 9**
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	**$0**	**$0**	**$0**
0	0	0	0
0	0	0	0
$0	**$0**	**$0**	**$0**
$0	$0	$0	$0
$0	$0	$0	$0

$0	$0	$0	$0
$0	$0	$0	$0
$0	**$0**	**$0**	**$0**
$0	$0	$0	$0
$0	**$0**	**$0**	**$0**
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
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$0	$0	$0	$0
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$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O2.2 Primary Cost PLCC Adjustment W

Ontario

Primary Conductors and Poles Cost Pool Demand Unit Cost for PLCC Adjustment to Customer Related Cost

Allocation by Rate Classification

Description	Total
Depreciation on Acct 1830-4 Primary Poles, Towers & Fixtures	$0
Depreciation on Acct 1835-4 Primary Overhead Conductors	$335,643
Depreciation on Acct 1840-4 Primary Underground Conduit	$0
Depreciation on Acct 1845-4 Primary Underground Conductors	$253,566
Depreciation on General Plant Assigned to Primary C&P	$75,430
Primary C&P Operations and Maintenance	$312,083
Allocation of General Expenses	$9,447
Admin and General Assigned to Primary C&P	$548,654
PILs on Primary C&P	$402,143
Debt Return on Primary C&P	$372,077
Equity Return on Primary C&P	$461,889
Total	**$2,770,931**
Primary NCP	812,582
PLCC Amount	86,214
Adjustment to Customer Related Cost for PLCC	**$265,365**
General Plant - Gross Assets	$7,928,026
General Plant - Accumulated Depreciation	($6,703,925)
General Plant - Net Fixed Assets	$1,224,101
General Plant - Depreciation	$391,191
Total Net Fixed Assets Excluding General Plant	**$38,111,471**
Total Administration and General Expense	**$5,807,738**
Total O&M	**$3,329,734**
Primary Conductors and Poles Gross Assets	
Acct 1830-4 Primary Poles, Towers & Fixtures	$0

Acct 1835-4 Primary Overhead Conductors	$10,239,294
Acct 1840-4 Primary Underground Conduit	$0
Acct 1845-4 Primary Underground Conductors	$8,462,135
Subtotal	*$18,701,429*
Primary Conductors and Poles Accumulated Depreciation	
Acct 1830-4 Primary Poles, Towers & Fixtures	$0
Acct 1835-4 Primary Overhead Conductors	($6,603,935)
Acct 1840-4 Primary Underground Conduit	$0
Acct 1845-4 Primary Underground Conductors	($4,712,486)
Subtotal	***($11,316,421)***
Primary Conductor & Pools - Net Fixed Assets	$7,385,007
General Plant Assigned to Primary C&P - NFA	$236,032
Primary C&P Net Fixed Assets Including General Plant	$7,621,039
Acct 1830-3 Bulk Poles, Towers & Fixtures	$0
Acct 1835-3 Bulk Overhead Conductors	$0
Acct 1840-3 Bulk Underground Conduit	$0
Acct 1845-3 Bulk Underground Conductors	$0
Subtotal	***$0***
Acct 1830-5 Secondary Poles, Towers & Fixtures	$0
Acct 1835-5 Secondary Overhead Conductors	$7,931,591
Acct 1840-5 Secondary Underground Conduit	$0
Acct 1845-5 Secondary Underground Conductors	$12,561,803
Subtotal	***$20,493,394***
Operations and Maintenance	
Acct 5020 Overhead Distribution Lines & Feeders - Labour	$421,511
Acct 5025 Overhead Distribution Lines & Feeders - Other	$32,687
Acct 5040 Underground Distribution Lines & Feeders - Labour	$105,166
Acct 5045 Underground Distribution Lines & Feeders - Other	$2,825
Acct 5090 Underground Distribution Lines & Feeders - Rental Paid	$0
Acct 5095 Overhead Distribution Lines & Feeders - Rental Paid	$0
Acct 5120 Maintenance of Poles, Towers & Fixtures	$81,081
Acct 5125 Maintenance of Overhead Conductors & Devices	$0
Acct 5135 Overhead Distribution Lines & Feeders - Right of Way	$0
Acct 5145 Maintenance of Underground Conduit	$12,770
Acct 5150 Maintenance of Underground Conductors & Devices	$0
Total	**$656,041**
General Expenses	
Acct 5005 - Operation Supervision and Engineering	$28,993
Acct 5010 - Load Dispatching	$0
Acct 5085 - Miscellaneous Distribution Expense	$0
Acct 5105 - Maintenance Supervision and Engineering	$0
Total	**$28,993**

Primary Conductors and Poles Gross Assets	$18,701,429
Acct 1815 - 1855	$57,397,312

Worksheet - Second Run

1	2	3	4	5
Residential (R1)	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**
$0	$0	$0	$0	$0
$146,675	$44,029	$92,223	$7,413	$19,437
$0	$0	$0	$0	$0
$110,808	$33,262	$69,671	$5,600	$14,684
$33,268	$9,800	$20,618	$1,614	$4,343
$137,230	$41,193	$86,257	$6,833	$17,457
$4,128	$1,239	$2,596	$209	$547
$237,598	$71,390	$153,376	$11,669	$31,980
$175,736	$52,752	$110,495	$8,881	$23,288
$162,597	$48,808	$102,234	$8,217	$21,546
$201,844	$60,590	$126,911	$10,201	$26,747
$1,209,884	**$363,064**	**$764,380**	**$60,637**	**$160,028**
355,097	106,593	223,269	17,946	47,055
70,848	5,722	709	115	11
$241,393	**$19,488**	**$2,427**	**$389**	**$38**
$4,552,241	$939,915	$1,509,979	$103,985	$150,857
($3,849,367)	($794,790)	($1,276,836)	($87,930)	($127,565)
$702,874	$145,125	$233,143	$16,055	$23,293
$224,620	$46,378	$74,507	$5,131	$7,444
$21,789,486	**$4,584,745**	**$7,332,795**	**$518,363**	**$732,971**
$3,725,420	**$762,907**	**$871,650**	**$111,522**	**$65,728**
$2,151,696	**$440,207**	**$490,208**	**$65,306**	**$35,878**
$0	$0	$0	$0	$0

$4,474,549	$1,343,172	$2,813,403	$226,133	$592,943
$0	$0	$0	$0	$0
$3,697,934	$1,110,047	$2,325,101	$186,885	$490,030
$8,172,483	*$2,453,219*	*$5,138,504*	*$413,018*	*$1,082,974*
$0	$0	$0	$0	$0
($2,885,905)	($866,292)	($1,814,532)	($145,847)	($382,425)
$0	$0	$0	$0	$0
($2,059,346)	($618,175)	($1,294,828)	($104,075)	($272,894)
($4,945,251)	***($1,484,467)***	***($3,109,360)***	***($249,921)***	***($655,318)***
$3,227,232	$968,752	$2,029,144	$163,097	$427,655
$104,102	$30,665	$64,516	$5,052	$13,590
$3,331,334	$999,416	$2,093,660	$168,148	$441,246
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	***$0***	***$0***	***$0***	***$0***
$0	$0	$0	$0	$0
$4,049,292	$1,214,716	$2,507,310	$99,672	$35,686
$0	$0	$0	$0	$0
$6,413,140	$1,923,828	$3,970,997	$157,857	$56,518
$10,462,433	***$3,138,544***	***$6,478,307***	***$257,529***	***$92,203***
$197,728	$59,335	$123,425	$7,558	$14,582
$15,333	$4,601	$9,571	$586	$1,131
$50,578	$15,176	$31,494	$1,724	$2,734
$1,359	$408	$846	$46	$73
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$41,394	$12,418	$25,631	$1,019	$365
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$6,520	$1,956	$4,037	$160	$57
$0	$0	$0	$0	$0
$312,911	**$93,894**	**$195,005**	**$11,094**	**$18,943**
$13,770	$4,132	$8,597	$497	$875
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$13,770	**$4,132**	**$8,597**	**$497**	**$875**

$8,172,483	$2,453,219	$5,138,504	$413,018	$1,082,974
$27,260,876	$8,181,020	$17,019,163	$983,664	$1,732,159

6	7	8	9	10
Large Use >5MW (I3)	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**	**Embedded Distributor**
$0	$0	$0	$0	$0
$24,964	$0	$0	$903	$0
$0	$0	$0	$0	$0
$18,859	$0	$0	$682	$0
$5,579	$0	$0	$208	$0
$22,269	$0	$0	$844	$0
$703	$0	$0	$25	$0
$41,132	$0	$0	$1,510	$0
$29,910	$0	$0	$1,081	$0
$27,674	$0	$0	$1,000	$0
$34,354	$0	$0	$1,242	$0
$205,442	**$0**	**$0**	**$7,496**	**$0**
60,437	0	0	2,185	0
3	8,296	38	472	0
$11	**$0**	**$0**	**$1,619**	**$0**
$178,271	$462,147	$3,530	$27,100	$0
($150,746)	($390,791)	($2,985)	($22,915)	$0
$27,525	$71,356	$545	$4,184	$0
$8,796	$22,804	$174	$1,337	$0
$866,093	**$2,143,014**	**$16,370**	**$127,636**	**$0**
$72,856	**$181,697**	**$1,391**	**$14,568**	**$0**
$39,444	**$98,096**	**$751**	**$8,147**	**$0**
$0	$0	$0	$0	$0

$761,561	$0	$0	$27,533	$0
$0	$0	$0	$0	$0
$629,382	$0	$0	$22,754	$0
$1,390,943	*$0*	*$0*	*$50,287*	*$0*
$0	$0	$0	$0	$0
($491,176)	$0	$0	($17,758)	$0
$0	$0	$0	$0	$0
($350,497)	$0	$0	($12,672)	$0
($841,674)	***$0***	***$0***	***($30,429)***	***$0***
$549,270	$0	$0	$19,858	$0
$17,456	$0	$0	$651	$0
$566,726	$0	$0	$20,509	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	***$0***	***$0***	***$0***	***$0***
$0	$0	$0	$0	$0
$0	$0	$0	$24,916	$0
$0	$0	$0	$0	$0
$0	$0	$0	$39,462	$0
$0	***$0***	***$0***	***$64,378***	***$0***
$17,666	$0	$0	$1,217	$0
$1,370	$0	$0	$94	$0
$3,148	$0	$0	$311	$0
$85	$0	$0	$8	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$255	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$40	$0
$0	$0	$0	$0	$0
$22,269	**$0**	**$0**	**$1,925**	**$0**
$1,037	$0	$0	$85	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$1,037	**$0**	**$0**	**$85**	**$0**

$1,390,943	$0	$0	$50,287	$0
$2,052,689	$0	$0	$167,743	$0

11	12	13	14	15
Back-up/Standby Power	**Rate Class 1**	**Rate class 2**	**Rate class 3**	**Rate class 4**
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
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$0	$0	$0	$0	$0
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$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**
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$0	**$0**	**$0**	**$0**	**$0**
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$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**
$0	**$0**	**$0**	**$0**	**$0**
$0	**$0**	**$0**	**$0**	**$0**
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$0	**$0**	**$0**	**$0**	**$0**

$0	$0	$0	$0	$0
$0	$0	$0	$0	$0

16	17	18	19	20
Rate class 5	**Rate class 6**	**Rate class 7**	**Rate class 8**	**Rate class 9**
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
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$0	**$0**	**$0**	**$0**	**$0**
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$0	**$0**	**$0**	**$0**	**$0**
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$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**
$0	**$0**	**$0**	**$0**	**$0**
$0	**$0**	**$0**	**$0**	**$0**
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$0	***$0***	***$0***	***$0***	***$0***
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$0	***$0***	***$0***	***$0***	***$0***
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$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**

$0	$0	$0	$0	$0
$0	$0	$0	$0	$0

2006 COST ALLOCATION INFORMATION FILING
Oshawa PUC Networks Inc.
EB-2005-0402 EB-2006-0247
Monday, January 15, 2007
Sheet O2.3 Secondary Cost PLCC Adjustment Worksheet - Second Run

Secondary Conductors and Poles Cost Pool Demand Unit Cost for PLCC Adjustment to Customer Related Cost

Allocation by Rate Classification

Description	Total	1 Residential (R1)	2 GS <50 (C1)	3 GS>50 kW < 200 kW (I1)	4 GS>200 kW < 1000 kW (I4)	5 GS>1000 kW < 5000 kW (I2 - Intermediate)	6 Large Use >5MW (I3)	7 Street Light	8 Sentinel	9 Unmetered Scattered Load (USL)	10 Embedded Distributor
Depreciation on Acct 1830-5 Secondary Poles, Towers & Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Depreciation on Acct 1835-5 Secondary Overhead Conductors	$433,328	$263,275	$50,349	$83,472	$3,441	$1,173	$0	$29,705	$227	$1,686	$0
Depreciation on Acct 1840-5 Secondary Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Depreciation on Acct 1845-5 Secondary Underground Conductors	$627,352	$381,158	$72,893	$120,847	$4,982	$1,698	$0	$43,005	$329	$2,442	$0
Depreciation on General Plant Assigned to Secondary C&P	$85,726	$44,115	$12,986	$26,924	$1,043	$383	$0	$0	$0	$276	$0
Secondary C&P Operations and Maintenance	$343,958	$175,682	$52,701	$108,748	$4,261	$1,486	$0	$0	$0	$1,081	$0
Allocation of General Expenses	$10,352	$5,285	$1,585	$3,272	$130	$47	$0	$0	$0	$33	$0
Admin and General Assigned to Primary C&P	$600,805	$304,173	$91,334	$193,367	$7,276	$2,723	$0	$0	$0	$1,933	$0
PILs on Secondary C&P	$456,448	$233,029	$69,905	$144,291	$5,736	$2,054	$0	$0	$0	$1,434	$0
Debt Return on Secondary C&P	$422,323	$215,607	$64,678	$133,503	$5,307	$1,900	$0	$0	$0	$1,327	$0
Equity Return on Secondary C&P	$524,262	$267,650	$80,290	$165,728	$6,588	$2,359	$0	$0	$0	$1,647	$0
Total	**$3,504,554**	**$1,889,975**	**$496,720**	**$980,151**	**$38,764**	**$13,822**	**$0**	**$72,710**	**$556**	**$11,858**	**$0**
Secondary NCP	695,550	355,097	106,523	219,875	8,741	3,129	0	0	0	2,185	0
PLCC Amount	86,211	70,848	5,722	709	115	11	0	8,296	38	472	0
Adjustment to Customer Related Cost for PLCC	**$410,044**	**$377,083**	**$26,680**	**$3,160**	**$511**	**$49**	**$0**	**$0**	**$0**	**$2,561**	**$0**
General Plant - Gross Assets	$7,928,026	$4,552,241	$939,915	$1,509,979	$103,985	$150,857	$178,271	$462,147	$3,530	$27,100	$0
General Plant - Accumulated Depreciation	($6,703,925)	($3,849,367)	($794,790)	($1,276,836)	($87,930)	($127,565)	($150,746)	($390,791)	($2,985)	($22,915)	$0
General Plant - Net Fixed Assets	$1,224,101	$702,874	$145,125	$233,143	$16,055	$23,293	$27,525	$71,356	$545	$4,184	$0
General Plant - Depreciation	$391,191	$224,620	$46,378	$74,507	$5,131	$7,444	$8,796	$22,804	$174	$1,337	$0
Total Net Fixed Assets Excluding General Plant	$38,111,471	$21,789,486	$4,584,745	$7,332,795	$518,363	$732,971	$866,093	$2,143,014	$16,370	$127,636	$0
Total Administration and General Expense	$5,807,738	$3,725,420	$762,907	$871,650	$111,522	$65,728	$72,856	$181,697	$1,391	$14,568	$0
Total O&M	$3,329,734	$2,151,696	$440,207	$490,208	$65,306	$35,878	$39,444	$98,096	$751	$8,147	$0
Secondary Conductors and Poles Gross Plant											
Acct 1830-5 Secondary Poles, Towers & Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 1835-5 Secondary Overhead Conductors	$7,931,591	$4,049,292	$1,214,716	$2,507,310	$99,672	$35,686	$0	$0	$0	$24,916	$0
Acct 1840-5 Secondary Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 1845-5 Secondary Underground Conductors	$12,561,803	$6,413,140	$1,923,828	$3,970,997	$157,857	$56,518	$0	$0	$0	$39,462	$0
Subtotal	***$20,493,394***	***$10,462,433***	***$3,138,544***	***$6,478,307***	***$257,529***	***$92,203***	***$0***	***$0***	***$0***	***$64,378***	***$0***
Secondary Conductors and Poles Accumulated Depreciation											
Acct 1830-5 Secondary Poles, Towers & Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 1835-5 Secondary Overhead Conductors	($5,115,559)	($2,611,631)	($783,443)	($1,617,114)	($64,284)	($23,016)	$0	$0	$0	($16,070)	$0
Acct 1840-5 Secondary Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 1845-5 Secondary Underground Conductors	($6,995,555)	($3,571,420)	($1,071,363)	($2,211,413)	($87,909)	($31,474)	$0	$0	$0	($21,976)	$0
Subtotal	***($12,111,114)***	***($6,183,052)***	***($1,854,806)***	***($3,828,527)***	***($152,194)***	***($54,490)***	***$0***	***$0***	***$0***	***($38,046)***	***$0***
Secondary Conductor & Pools - Net Fixed Assets	$8,382,280	$4,279,381	$1,283,738	$2,649,780	$105,336	$37,713	$0	$0	$0	$26,332	$0
General Plant Assigned to Secondary C&P - NFA	$268,250	$138,042	$40,635	$84,249	$3,263	$1,198	$0	$0	$0	$863	$0
Secondary C&P Net Fixed Assets Including General Plant	$8,650,530	$4,417,423	$1,324,374	$2,734,029	$108,598	$38,912	$0	$0	$0	$27,195	$0
Acct 1830-3 Bulk Poles, Towers & Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 1835-3 Bulk Overhead Conductors	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 1840-3 Bulk Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 1845-3 Bulk Underground Conductors	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***
Acct 1830-4 Primary Poles, Towers & Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Acct 1835-4 Primary Overhead Conductors	$10,239,294	$4,474,549	$1,343,172	$2,813,403	$226,133	$592,943	$761,561	$0	$0	$27,533	$0
Acct 1840-4 Primary Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 1845-4 Primary Underground Conductors	$8,462,135	$3,697,934	$1,110,047	$2,325,101	$186,885	$490,030	$629,382	$0	$0	$22,754	$0
Subtotal	***$18,701,429***	***$8,172,483***	***$2,453,219***	***$5,138,504***	***$413,018***	***$1,082,974***	***$1,390,943***	***$0***	***$0***	***$50,287***	***$0***
Operations and Maintenance											
Acct 5020 Overhead Distribution Lines & Feeders - Labour	$421,511	$197,728	$59,335	$123,425	$7,558	$14,582	$17,666	$0	$0	$1,217	$0
Acct 5025 Overhead Distribution Lines & Feeders - Other	$32,687	$15,333	$4,601	$9,571	$586	$1,131	$1,370	$0	$0	$94	$0
Acct 5040 Underground Distribution Lines & Feeders - Labour	$105,166	$50,578	$15,176	$31,494	$1,724	$2,734	$3,148	$0	$0	$311	$0
Acct 5045 Underground Distribution Lines & Feeders - Other	$2,825	$1,359	$408	$846	$46	$73	$85	$0	$0	$8	$0
Acct 5090 Underground Distribution Lines & Feeders - Rental Paid	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 5095 Overhead Distribution Lines & Feeders - Rental Paid	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 5120 Maintenance of Poles, Towers & Fixtures	$81,081	$41,394	$12,418	$25,631	$1,019	$365	$0	$0	$0	$255	$0
Acct 5125 Maintenance of Overhead Conductors & Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 5135 Overhead Distribution Lines & Feeders - Right of Way	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 5145 Maintenance of Underground Conduit	$12,770	$6,520	$1,956	$4,037	$160	$57	$0	$0	$0	$40	$0
Acct 5150 Maintenance of Underground Conductors & Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$656,041**	**$312,911**	**$93,894**	**$195,005**	**$11,094**	**$18,943**	**$22,269**	**$0**	**$0**	**$1,925**	**$0**
General Expenses											
Acct 5005 - Operation Supervision and Engineering	$28,993	$13,770	$4,132	$8,597	$497	$875	$1,037	$0	$0	$85	$0
Acct 5010 - Load Dispatching	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 5085 - Miscellaneous Distribution Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Acct 5105 - Maintenance Supervision and Engineering	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$28,993**	**$13,770**	**$4,132**	**$8,597**	**$497**	**$875**	**$1,037**	**$0**	**$0**	**$85**	**$0**
Secondary Conductors and Poles Gross Assets	$20,493,394	$10,462,433	$3,138,544	$6,478,307	$257,529	$92,203	$0	$0	$0	$64,378	$0
Acct 1815 - 1855	$57,397,312	$27,260,876	$8,181,020	$17,019,163	$983,664	$1,732,159	$2,052,689	$0	$0	$167,743	$0

11	12	13	14	15	16	17	18	19	20
Back-up/Standby Power	Rate Class 1	Rate class 2	Rate class 3	Rate class 4	Rate class 5	Rate class 6	Rate class 7	Rate class 8	Rate class 9
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

2006 COST ALLOCATION INFORMATION FILING
Oshawa PUC Networks Inc.
EB-2005-0402 EB-2006-0247
Monday, January 15, 2007
Sheet O3.1 Line Transformers Unit Cost Worksheet - Second Run

ALLOCATION BY RATE CLASSIFICATION

Description	Total	1 Residential (R1)	2 GS <50 (C1)	3 GS>50 kW < 200 kW (I1)	4 GS>200 kW < 1000 kW (I4)	5 GS>1000 kW < 5000 kW (I2 - Intermediate)	6 Large Use >5MW (I3)	7 Street Light	8 Sentinel	9 Unmetered Scattered Load (USL)
Depreciation on Acct 1850 Line Transformers	$414,245	$251,334	$48,057	$80,233	$3,281	$1,118	$0	$28,395	$217	$1,610
Depreciation on General Plant Assigned to Line Transformers	$49,162	$29,918	$5,614	$9,414	$375	$131	$0	$3,489	$27	$195
Acct 5035 - Overhead Distribution Transformers- Operation	$137,785	$83,598	$15,985	$26,687	$1,091	$372	$0	$9,445	$72	$536
Acct 5055 - Underground Distribution Transformers - Operation	$137,785	$83,598	$15,985	$26,687	$1,091	$372	$0	$9,445	$72	$536
Acct 5160 - Maintenance of Line Transformers	$13,778	$8,360	$1,598	$2,669	$109	$37	$0	$944	$7	$54
Allocation of General Expenses	$8,384	$5,164	$941	$1,521	$62	$21	$0	$635	$5	$33
Admin and General Assigned to Line Transformers	$506,152	$303,954	$58,175	$99,650	$3,914	$1,431	$0	$36,736	$281	$2,011
PILs on Line Transformers	$260,475	$158,037	$30,218	$50,450	$2,063	$703	$0	$17,854	$136	$1,012
Debt Return on Line Transformers	$241,001	$146,222	$27,959	$46,678	$1,909	$650	$0	$16,519	$126	$937
Equity Return on Line Transformers	$299,173	$181,517	$34,708	$57,945	$2,370	$807	$0	$20,507	$157	$1,163
	($289,348)	($168,498)	($36,231)	($65,024)	($2,626)	($910)	$0	($14,875)	($114)	($1,070)
Total	$1,778,592	**$1,083,204**	**$203,009**	**$336,909**	**$13,641**	**$4,733**	**$0**	**$129,095**	**$986**	**$7,015**
Billed kW without Line Transformer Allowance		0	0	685,105	101,037	52,705	-34,901	0	174	13,291
Billed kWh without Line Transformer Allowance		504,731,605	141,937,237	280,029,919	45,512,763	117,427,737	97,798,297	7,960,654	44,065	3,034,628
Line Transformation Unit Cost ($/kW)		**$0.0000**	**$0.0000**	**$0.4918**	**$0.1350**	**$0.0898**	**$0.0000**	**$0.0000**	**$5.6692**	**$0.5278**
Line Transformation Unit Cost ($/kWh)		**$0.0021**	**$0.0014**	**$0.0012**	**$0.0003**	**$0.0000**	**$0.0000**	**$0.0162**	**$0.0224**	**$0.0023**
General Plant - Gross Assets	$7,928,026	$4,552,241	$939,915	$1,509,979	$103,985	$150,857	$178,271	$462,147	$3,530	$27,100
General Plant - Accumulated Depreciation	($6,703,925)	($3,849,367)	($794,790)	($1,276,836)	($87,930)	($127,565)	($150,746)	($390,791)	($2,985)	($22,915)
General Plant - Net Fixed Assets	$1,224,101	$702,874	$145,125	$233,143	$16,055	$23,293	$27,525	$71,356	$545	$4,184
General Plant - Depreciation	$391,191	$224,620	$46,378	$74,507	$5,131	$7,444	$8,796	$22,804	$174	$1,337
Total Net Fixed Assets Excluding General Plant	$38,111,471	$21,789,486	$4,584,745	$7,332,795	$518,363	$732,971	$866,093	$2,143,014	$16,370	$127,636
Total Administration and General Expense	$5,807,738	$3,725,420	$762,907	$871,650	$111,522	$65,728	$72,856	$181,697	$1,391	$14,568
Total O&M	$3,329,734	$2,151,696	$440,207	$490,208	$65,306	$35,878	$39,444	$98,096	$751	$8,147
Line Transformer Rate Base										
Acct 1850 - Line Transformers - Gross Assets	$15,508,716	$9,409,562	$1,799,199	$3,003,798	$122,846	$41,859	$0	$1,063,051	$8,124	$60,277
Line Transformers - Accumulated Depreciation	($10,725,318)	($6,507,344)	($1,244,267)	($2,077,328)	($84,956)	($28,949)	$0	($735,171)	($5,618)	($41,685)
Line Transformers - Net Fixed Assets	$4,783,398	$2,902,218	$554,932	$926,470	$37,890	$12,911	$0	$327,880	$2,506	$18,591
General Plant Assigned to Line Transformers - NFA	$153,835	$93,618	$17,566	$29,457	$1,174	$410	$0	$10,917	$83	$609
Line Transformer Net Fixed Assets Including General Plant	$4,937,233	$2,995,837	$572,498	$955,927	$39,063	$13,321	$0	$338,797	$2,589	$19,201
General Expenses										
Acct 5005 - Operation Supervision and Engineering										
Acct 5010 - Load Dispatching										
Acct 5085 - Miscellaneous Distribution Expense										
Acct 5105 - Maintenance Supervision and Engineering	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$48,321**	**$28,323**	**$5,307**	**$8,741**	**$518**	**$876**	**$1,037**	**$3,312**	**$25**	**$182**
Acct 1850 - Line Transformers - Gross Assets	$15,508,716	$9,409,562	$1,799,199	$3,003,798	$122,846	$41,859	$0	$1,063,051	$8,124	$60,277
Acct 1815 - 1855	$89,730,681	$51,606,367	$10,145,992	$17,260,236	$1,018,857	$1,733,980	$2,053,112	$5,539,864	$42,335	$329,936

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O3.2 Substation Transformers Unit Cost

ALLOCATION BY RATE CLASSIFICATION

Description	Total
Depreciation on Acct 1820-2 Distribution Station Equipment	$267,907
Depreciation on Acct 1825-2 Storage Battery Equipment	$0
Depreciation on Acct 1805-2 Land Station <50 kV	$0
Depreciation on Acct 1806-2 Land Rights Station <50 kV	$0
Depreciation on Acct 1808-2 Buildings and Fixtures < 50 KV	$8,343
Depreciation on Acct 1810-2 Leasehold Improvements <50 kV	$0
Depreciation on General Plant Assigned to Substation Transformers	$35,724
Acct 5012 - Station Buildings and Fixtures Expense	$0
Acct 5016 - Distributon Station Equipment - Labour	$26,660
Acct 5017 - Distributon Station Equipment - Other	$0
Acct 5114 - Maintenance of Distribution Station Equipment	$25,761
Allocation of General Expenses	$0
Admin and General Assigned to SubstationTransformers	$92,183
PILs on SubstationTransformers	$190,435
Debt Return on Substation Transformers	$176,197
Equity Return on Substation Transformers	$218,727
Total	**$1,041,938**
Billed kW without Substation Transformer Allowance	
Billed kWh without Substation Transformer Allowance	
Substation Transformation Unit Cost ($/kW)	
Substation Transformation Unit Cost ($/kWh)	
General Plant - Gross Assets	$7,928,026
General Plant - Accumulated Depreciation	($6,703,925)
General Plant - Net Fixed Assets	$1,224,101
General Plant - Depreciation	$391,191
Total Net Fixed Assets Excluding General Plant	$38,111,471
Total Administration and General Expense	$5,807,738
Total O&M	$3,329,734

Substation Transformer Rate Base Gross Plant	
Acct 1820-2 Distribution Station Equipment	$8,897,259
Acct 1825-2 Storage Battery Equipment	$0
Acct 1805-2 Land Station <50 kV	$98,896
Acct 1806-2 Land Rights Station <50 kV	$0
Acct 1808-2 Buildings and Fixtures < 50 KV	$533,720
Acct 1810-2 Leasehold Improvements <50 kV	$0
Subtotal	***$9,529,876***
Substation Transformers - Accumulated Depreciation	
Acct 1820-2 Distribution Station Equipment	($5,781,833)
Acct 1825-2 Storage Battery Equipment	$0
Acct 1805-2 Land Station <50 kV	$0
Acct 1806-2 Land Rights Station <50 kV	$0
Acct 1808-2 Buildings and Fixtures < 50 KV	($250,878)
Acct 1810-2 Leasehold Improvements <50 kV	$0
Subtotal	***($6,032,711)***
Substation Transformers - Net Fixed Assets	$3,497,165
General Plant Assigned to SubstationTransformers - NFA	$111,787
Substation Transformer NFA Including General Plant	$3,608,952
General Expenses	
Acct 5005 - Operation Supervision and Engineering	
Acct 5010 - Load Dispatching	
Acct 5085 - Miscellaneous Distribution Expense	
Acct 5105 - Maintenance Supervision and Engineering	
Total	$48,321
Acct 1820-2 Distribution Station Equipment	$0
Acct 1825-2 Storage Battery Equipment	$0
Total	$0
Acct 1815 - 1855	$89,730,681

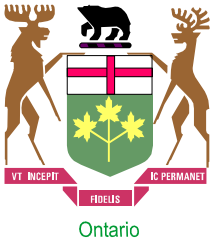
Worksheet - Second Run

1	2	3	4	5
Residential (R1)	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**
$117,075	$35,144	$73,612	$5,917	$15,514
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$4,083	$918	$2,147	$179	$431
$0	$0	$0	$0	$0
$15,961	$4,559	$9,696	$762	$2,032
$0	$0	$0	$0	$0
$11,651	$3,497	$7,325	$589	$1,544
$0	$0	$0	$0	$0
$11,257	$3,379	$7,078	$569	$1,492
$0	$0	$0	$0	$0
$39,663	$11,917	$25,611	$1,977	$5,561
$84,309	$24,542	$51,963	$4,193	$10,898
$78,006	$22,707	$48,078	$3,879	$10,083
$96,835	$28,188	$59,683	$4,816	$12,517
$458,839	**$134,851**	**$285,194**	**$22,880**	**$60,072**
0	0	770,021	125,033	182,908
504,731,605	141,937,237	280,029,919	45,512,763	117,427,737
$0.0000	**$0.0000**	**$0.3704**	**$0.1830**	**$0.3284**
$0.0009	**$0.0010**	**$0.0010**	**$0.0005**	**$0.0005**
$4,552,241	$939,915	$1,509,979	$103,985	$150,857
($3,849,367)	($794,790)	($1,276,836)	($87,930)	($127,565)
$702,874	$145,125	$233,143	$16,055	$23,293
$224,620	$46,378	$74,507	$5,131	$7,444
$21,789,486	$4,584,745	$7,332,795	$518,363	$732,971
$3,725,420	$762,907	$871,650	$111,522	$65,728
$2,151,696	$440,207	$490,208	$65,306	$35,878

$3,888,083	$1,167,126	$2,444,658	$196,495	$515,228
$0	$0	$0	$0	$0
$48,401	$10,884	$25,452	$2,122	$5,109
$0	$0	$0	$0	$0
$261,210	$58,736	$137,360	$11,451	$27,572
$0	$0	$0	$0	$0
$4,197,693	***$1,236,746***	***$2,607,470***	***$210,067***	***$547,908***
($2,526,648)	($758,450)	($1,588,647)	($127,691)	($334,818)
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
($122,783)	($27,609)	($64,567)	($5,383)	($12,960)
$0	$0	$0	$0	$0
($2,649,431)	***($786,059)***	***($1,653,214)***	***($133,073)***	***($347,778)***
$1,548,262	$450,686	$954,256	$76,994	$200,130
$49,943	$14,266	$30,340	$2,385	$6,360
$1,598,205	$464,952	$984,597	$79,379	$206,490
$28,323	$5,307	$8,741	$518	$876
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$51,606,367	$10,145,992	$17,260,236	$1,018,857	$1,733,980

6	7	8	9
Large Use >5MW (I3)	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**
$19,926	$0	$0	$720
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$515	$53	$0	$17
$0	$0	$0	$0
$2,593	$26	$0	$96
$0	$0	$0	$0
$1,983	$0	$0	$72
$0	$0	$0	$0
$1,916	$0	$0	$69
$0	$0	$0	$0
$7,201	$0	$0	$252
$13,900	$131	$1	$498
$12,861	$121	$1	$461
$15,965	$151	$1	$572
$76,860	**$481**	**$2**	**$2,757**
208,230	0	174	13,291
97,798,297	7,960,654	44,065	3,034,628
$0.3691	**$0.0000**	**$0.0127**	**$0.2075**
$0.0008	**$0.0001**	**$0.0001**	**$0.0009**
$178,271	$462,147	$3,530	$27,100
($150,746)	($390,791)	($2,985)	($22,915)
$27,525	$71,356	$545	$4,184
$8,796	$22,804	$174	$1,337
$866,093	$2,143,014	$16,370	$127,636
$72,856	$181,697	$1,391	$14,568
$39,444	$98,096	$751	$8,147

$661,745	$0	$0	$23,924
$0	$0	$0	$0
$6,102	$624	$3	$200
$0	$0	$0	$0
$32,930	$3,368	$15	$1,079
$0	$0	$0	$0
$700,777	***$3,992***	***$18***	***$25,203***
($430,031)	$0	$0	($15,547)
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
($15,479)	($1,583)	($7)	($507)
$0	$0	$0	$0
($445,510)	***($1,583)***	***($7)***	***($16,054)***
$255,267	$2,409	$11	$9,149
$8,113	$80	$0	$300
$263,380	$2,489	$11	$9,449
$1,037	$3,312	$25	$182
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$2,053,112	$5,539,864	$42,335	$329,936



2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O3.3 Primary Conductors and Poles C

ALLOCATION BY RATE CLASSIFICATION

Description	Total
Depreciation on Acct 1830-4 Primary Poles, Towers & Fixtures	$0
Depreciation on Acct 1835-4 Primary Overhead Conductors	$559,405
Depreciation on Acct 1840-4 Primary Underground Conduit	$0
Depreciation on Acct 1845-4 Primary Underground Conductors	$422,610
Depreciation on General Plant Assigned to Primary C&P	$126,403
Primary C&P Operations and Maintenance	$520,788
Allocation of General Expenses	$16,782
Admin and General Assigned to Primary C&P	$914,507
PILs on Primary C&P	$670,238
Debt Return on Primary C&P	$620,129
Equity Return on Primary C&P	$769,815
Total	**$4,620,677**
General Plant - Gross Assets	$7,928,026
General Plant - Accumulated Depreciation	($6,703,925)
General Plant - Net Fixed Assets	$1,224,101
General Plant - Depreciation	$391,191
Total Net Fixed Assets Excluding General Plant	$38,111,471
Total Administration and General Expense	$5,807,738
Total O&M	$3,329,734
Primary Conductors and Poles Gross Assets	
Acct 1830-4 Primary Poles, Towers & Fixtures	$0
Acct 1835-4 Primary Overhead Conductors	$17,065,489
Acct 1840-4 Primary Underground Conduit	$0
Acct 1845-4 Primary Underground Conductors	$14,103,559
Subtotal	**$31,169,048**
Primary Conductors and Poles Accumulated Depreciation	
Acct 1830-4 Primary Poles, Towers & Fixtures	$0
Acct 1835-4 Primary Overhead Conductors	($11,006,558)

Acct 1840-4 Primary Underground Conduit	$0
Acct 1845-4 Primary Underground Conductors	($7,854,144)
Subtotal	**($18,860,702)**
Primary Conductor & Pools - Net Fixed Assets	$12,308,345
General Plant Assigned to Primary C&P - NFA	$395,537
Primary C&P Net Fixed Assets Including General Plant	$12,703,883
Acct 1830-3 Bulk Poles, Towers & Fixtures	$0
Acct 1835-3 Bulk Overhead Conductors	$0
Acct 1840-3 Bulk Underground Conduit	$0
Acct 1845-3 Bulk Underground Conductors	$0
Subtotal	**$0**
Acct 1830-5 Secondary Poles, Towers & Fixtures	$0
Acct 1835-5 Secondary Overhead Conductors	$13,219,319
Acct 1840-5 Secondary Underground Conduit	$0
Acct 1845-5 Secondary Underground Conductors	$20,936,338
Subtotal	**$34,155,657**
Operations and Maintenance	
Acct 5020 Overhead Distribution Lines & Feeders - Labour	
Acct 5025 Overhead Distribution Lines & Feeders - Other	
Acct 5040 Underground Distribution Lines & Feeders - Labour	
Acct 5045 Underground Distribution Lines & Feeders - Other	
Acct 5090 Underground Distribution Lines & Feeders - Rental Paid	
Acct 5095 Overhead Distribution Lines & Feeders - Rental Paid	
Acct 5120 Maintenance of Poles, Towers & Fixtures	
Acct 5125 Maintenance of Overhead Conductors & Devices	
Acct 5135 Overhead Distribution Lines & Feeders - Right of Way	
Acct 5145 Maintenance of Underground Conduit	
Acct 5150 Maintenance of Underground Conductors & Devices	
Total	**$1,093,401**
General Expenses	
Acct 5005 - Operation Supervision and Engineering	
Acct 5010 - Load Dispatching	
Acct 5085 - Miscellaneous Distribution Expense	
Acct 5105 - Maintenance Supervision and Engineering	
Total	**$48,321**
Primary Conductors and Poles Gross Assets	$31,169,048
Acct 1815 - 1855	$89,730,681

Grouping of Operation and Maintenance	**Total**

1830	$	135,136
1835	$	-
1840	$	21,284
1845	$	-
1830 & 1835	$	756,996
1840 & 1845	$	179,986
Total	**$**	**1,093,401**

ost Pool Worksheet - Second Run

1	2	3	4	5
Residential (R1)	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**
$0	$0	$0	$0	$0
$315,102	$57,631	$93,908	$7,686	$19,463
$0	$0	$0	$0	$0
$238,048	$43,538	$70,944	$5,807	$14,704
$71,470	$12,827	$20,994	$1,674	$4,349
$294,327	$53,881	$87,828	$7,088	$17,481
$9,636	$1,680	$2,650	$218	$548
$509,594	$93,379	$156,170	$12,104	$32,024
$377,532	$69,049	$112,514	$9,209	$23,319
$349,306	$63,887	$104,102	$8,521	$21,576
$433,621	$79,308	$129,230	$10,578	$26,784
$2,598,635	**$475,179**	**$778,340**	**$62,885**	**$160,248**
$4,552,241	$939,915	$1,509,979	$103,985	$150,857
($3,849,367)	($794,790)	($1,276,836)	($87,930)	($127,565)
$702,874	$145,125	$233,143	$16,055	$23,293
$224,620	$46,378	$74,507	$5,131	$7,444
$21,789,486	$4,584,745	$7,332,795	$518,363	$732,971
$3,725,420	$762,907	$871,650	$111,522	$65,728
$2,151,696	$440,207	$490,208	$65,306	$35,878
$0	$0	$0	$0	$0
$9,612,645	$1,758,118	$2,864,807	$234,488	$593,755
$0	$0	$0	$0	$0
$7,944,250	$1,452,975	$2,367,584	$193,790	$490,702
$17,556,895	**$3,211,093**	**$5,232,391**	**$428,277**	**$1,084,457**
$0	$0	$0	$0	$0
($6,199,772)	($1,133,916)	($1,847,686)	($151,235)	($382,949)

$0	$0	$0	$0	$0
($4,424,081)	($809,148)	($1,318,486)	($107,920)	($273,267)
($10,623,853)	**($1,943,064)**	**($3,166,172)**	**($259,155)**	**($656,216)**
$6,933,042	$1,268,028	$2,066,219	$169,122	$428,241
$223,643	$40,138	$65,695	$5,238	$13,609
$7,156,685	$1,308,166	$2,131,914	$174,361	$441,850
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**
$0	$0	$0	$0	$0
$8,031,613	$1,535,964	$2,546,431	$104,978	$35,776
$0	$0	$0	$0	$0
$12,720,215	$2,432,610	$4,032,957	$166,261	$56,660
$20,751,828	**$3,968,574**	**$6,579,388**	**$271,239**	**$92,436**
$642,214	**$120,472**	**$198,267**	**$11,577**	**$18,971**
$28,323	**$5,307**	**$8,741**	**$518**	**$876**
$17,556,895	$3,211,093	$5,232,391	$428,277	$1,084,457
$51,606,367	$10,145,992	$17,260,236	$1,018,857	$1,733,980

Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)

$	82,104	$	15,702	$	26,031	$	1,073	$	366
$	-	$	-	$	-	$	-	$	-
$	12,932	$	2,473	$	4,100	$	169	$	58
$	-	$	-	$	-	$	-	$	-
$	441,034	$	82,339	$	135,259	$	8,485	$	15,736
$	106,145	$	19,959	$	32,877	$	1,849	$	2,812
$	**642,214**	**$**	**120,472**	**$**	**198,267**	**$**	**11,577**	**$**	**18,971**

6	7	8	9
Large Use >5MW (I3)	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**
$0	$0	$0	$0
$24,971	$38,326	$293	$2,025
$0	$0	$0	$0
$18,865	$28,954	$221	$1,530
$5,580	$8,973	$69	$467
$22,276	$35,743	$273	$1,891
$703	$1,277	$10	$62
$41,144	$66,205	$506	$3,381
$29,919	$45,919	$351	$2,426
$27,682	$42,486	$325	$2,244
$34,364	$52,741	$403	$2,786
$205,505	**$320,624**	**$2,450**	**$16,811**
$178,271	$462,147	$3,530	$27,100
($150,746)	($390,791)	($2,985)	($22,915)
$27,525	$71,356	$545	$4,184
$8,796	$22,804	$174	$1,337
$866,093	$2,143,014	$16,370	$127,636
$72,856	$181,697	$1,391	$14,568
$39,444	$98,096	$751	$8,147
$0	$0	$0	$0
$761,793	$1,169,184	$8,935	$61,764
$0	$0	$0	$0
$629,574	$966,257	$7,384	$51,044
$1,391,367	**$2,135,441**	**$16,319**	**$112,808**
$0	$0	$0	$0
($491,326)	($754,077)	($5,763)	($39,835)

$0	$0	$0	$0
($350,604)	($538,100)	($4,112)	($28,426)
($841,930)	**($1,292,177)**	**($9,875)**	**($68,261)**
$549,437	$843,264	$6,444	$44,547
$17,462	$28,078	$215	$1,460
$566,899	$871,343	$6,659	$46,007
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	**$0**	**$0**	**$0**
$0	$0	$0	$0
$0	$906,185	$6,925	$51,447
$0	$0	$0	$0
$0	$1,435,187	$10,968	$81,480
$0	**$2,341,372**	**$17,893**	**$132,927**
$22,276	**$74,934**	**$573**	**$4,119**
$1,037	**$3,312**	**$25**	**$182**
$1,391,367	$2,135,441	$16,319	$112,808
$2,053,112	$5,539,864	$42,335	$329,936

Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)

$	-	$	9,264	$	71	$	526
$	-	$	-	$	-	$	-
$	-	$	1,459	$	11	$	83
$	-	$	-	$	-	$	-
$	19,042	$	51,876	$	396	$	2,830
$	3,234	$	12,335	$	94	$	681
$	**22,276**	**$**	**74,934**	**$**	**573**	**$**	**4,119**

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O3.4 Secondary Cost Pool Worksheet

ALLOCATION BY RATE CLASSIFICATION

Description	Total
Depreciation on Acct 1830-5 Secondary Poles, Towers & Fixtures	$0
Depreciation on Acct 1835-5 Secondary Overhead Conductors	$433,328
Depreciation on Acct 1840-5 Secondary Underground Conduit	$0
Depreciation on Acct 1845-5 Secondary Underground Conductors	$627,352
Depreciation on General Plant Assigned to Secondary C&P	$143,584
Secondary C&P Operations and Maintenance	$572,614
Allocation of General Expenses	$18,465
Admin and General Assigned to Primary C&P	$1,001,631
PILs on Secondary C&P	$760,747
Debt Return on Secondary C&P	$703,871
Equity Return on Secondary C&P	$873,771
Total	**$5,135,364**
General Plant - Gross Assets	$7,928,026
General Plant - Accumulated Depreciation	($6,703,925)
General Plant - Net Fixed Assets	$1,224,101
General Plant - Depreciation	$391,191
Total Net Fixed Assets Excluding General Plant	**$38,111,471**
Total Administration and General Expense	**$5,807,738**
Total O&M	**$3,329,734**
Secondary Conductors and Poles Gross Plant	
Acct 1830-5 Secondary Poles, Towers & Fixtures	$0
Acct 1835-5 Secondary Overhead Conductors	$13,219,319
Acct 1840-5 Secondary Underground Conduit	$0
Acct 1845-5 Secondary Underground Conductors	$20,936,338
Subtotal	***$34,155,657***
Secondary Conductors and Poles Accumulated Depreciation	
Acct 1830-5 Secondary Poles, Towers & Fixtures	$0
Acct 1835-5 Secondary Overhead Conductors	($8,525,932)

Acct 1840-5 Secondary Underground Conduit	$0
Acct 1845-5 Secondary Underground Conductors	($11,659,258)
Subtotal	***($20,185,191)***
Secondary Conductor & Pools - Net Fixed Assets	$13,970,467
General Plant Assigned to Secondary C&P - NFA	$449,298
Secondary C&P Net Fixed Assets Including General Plant	$14,419,765
Acct 1830-3 Bulk Poles, Towers & Fixtures	$0
Acct 1835-3 Bulk Overhead Conductors	$0
Acct 1840-3 Bulk Underground Conduit	$0
Acct 1845-3 Bulk Underground Conductors	$0
Subtotal	***$0***
Acct 1830-4 Primary Poles, Towers & Fixtures	$0
Acct 1835-4 Primary Overhead Conductors	$17,065,489
Acct 1840-4 Primary Underground Conduit	$0
Acct 1845-4 Primary Underground Conductors	$14,103,559
Subtotal	***$31,169,048***
Operations and Maintenance	
Acct 5020 Overhead Distribution Lines & Feeders - Labour	
Acct 5025 Overhead Distribution Lines & Feeders - Other	
Acct 5040 Underground Distribution Lines & Feeders - Labour	
Acct 5045 Underground Distribution Lines & Feeders - Other	
Acct 5090 Underground Distribution Lines & Feeders - Rental Paid	
Acct 5095 Overhead Distribution Lines & Feeders - Rental Paid	
Acct 5120 Maintenance of Poles, Towers & Fixtures	
Acct 5125 Maintenance of Overhead Conductors & Devices	
Acct 5135 Overhead Distribution Lines & Feeders - Right of Way	
Acct 5145 Maintenance of Underground Conduit	
Acct 5150 Maintenance of Underground Conductors & Devices	
Total	**$1,093,401**
General Expenses	
Acct 5005 - Operation Supervision and Engineering	
Acct 5010 - Load Dispatching	
Acct 5085 - Miscellaneous Distribution Expense	
Acct 5105 - Maintenance Supervision and Engineering	
Total	**$48,321**
Secondary Conductors and Poles Gross Assets	$34,155,657
Acct 1815 - 1855	$89,730,681

[redacted]

Grouping of Operation and Maintenance		**Total**
1830	$	135,136
1835	$	-
1840	$	21,284
1845	$	-
1830 & 1835	$	756,996
1840 & 1845	$	179,986
Total	**$**	**1,093,401**

- Second Run

1	2	3	4	5
Residential (R1)	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**
$0	$0	$0	$0	$0
$263,275	$50,349	$83,472	$3,441	$1,173
$0	$0	$0	$0	$0
$381,158	$72,893	$120,847	$4,982	$1,698
$87,500	$16,420	$27,344	$1,098	$384
$347,887	$66,591	$110,438	$4,489	$1,490
$11,389	$2,076	$3,332	$138	$47
$602,328	$115,406	$196,373	$7,666	$2,730
$462,205	$88,392	$146,542	$6,041	$2,059
$427,648	$81,783	$135,586	$5,590	$1,905
$530,874	$101,524	$168,314	$6,939	$2,365
$3,114,265	**$595,434**	**$992,248**	**$40,384**	**$13,849**
$4,552,241	$939,915	$1,509,979	$103,985	$150,857
($3,849,367)	($794,790)	($1,276,836)	($87,930)	($127,565)
$702,874	$145,125	$233,143	$16,055	$23,293
$224,620	$46,378	$74,507	$5,131	$7,444
$21,789,486	**$4,584,745**	**$7,332,795**	**$518,363**	**$732,971**
$3,725,420	**$762,907**	**$871,650**	**$111,522**	**$65,728**
$2,151,696	**$440,207**	**$490,208**	**$65,306**	**$35,878**
$0	$0	$0	$0	$0
$8,031,613	$1,535,964	$2,546,431	$104,978	$35,776
$0	$0	$0	$0	$0
$12,720,215	$2,432,610	$4,032,957	$166,261	$56,660
$20,751,828	***$3,968,574***	***$6,579,388***	***$271,239***	***$92,436***
$0	$0	$0	$0	$0
($5,180,069)	($990,635)	($1,642,346)	($67,707)	($23,074)

$0	$0	$0	$0	$0
($7,083,773)	($1,354,699)	($2,245,918)	($92,589)	($31,554)
($12,263,842)	***($2,345,334)***	***($3,888,264)***	***($160,296)***	***($54,627)***
$8,487,985	$1,623,240	$2,691,125	$110,943	$37,808
$273,801	$51,382	$85,563	$3,436	$1,201
$8,761,787	$1,674,622	$2,776,688	$114,380	$39,010
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$0	***$0***	***$0***	***$0***	***$0***
$0	$0	$0	$0	$0
$9,612,645	$1,758,118	$2,864,807	$234,488	$593,755
$0	$0	$0	$0	$0
$7,944,250	$1,452,975	$2,367,584	$193,790	$490,702
$17,556,895	***$3,211,093***	***$5,232,391***	***$428,277***	***$1,084,457***

$642,214	**$120,472**	**$198,267**	**$11,577**	**$18,971**

$28,323	**$5,307**	**$8,741**	**$518**	**$876**
$20,751,828	$3,968,574	$6,579,388	$271,239	$92,436
$51,606,367	$10,145,992	$17,260,236	$1,018,857	$1,733,980

[redacted]

Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)
$ 82,104	$ 15,702	$ 26,031	$ 1,073	$ 366
$ -	$ -	$ -	$ -	$ -
$ 12,932	$ 2,473	$ 4,100	$ 169	$ 58
$ -	$ -	$ -	$ -	$ -
$ 441,034	$ 82,339	$ 135,259	$ 8,485	$ 15,736
$ 106,145	$ 19,959	$ 32,877	$ 1,849	$ 2,812
$ 642,214	**$ 120,472**	**$ 198,267**	**$ 11,577**	**$ 18,971**

6	7	8	9
Large Use >5MW (I3)	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**
$0	$0	$0	$0
$0	$29,705	$227	$1,686
$0	$0	$0	$0
$0	$43,005	$329	$2,442
$0	$10,191	$78	$570
$0	$39,190	$299	$2,228
$0	$1,400	$11	$73
$0	$72,590	$555	$3,984
$0	$52,149	$399	$2,961
$0	$48,250	$369	$2,739
$0	$59,897	$458	$3,401
$0	**$356,376**	**$2,723**	**$20,084**
$178,271	$462,147	$3,530	$27,100
($150,746)	($390,791)	($2,985)	($22,915)
$27,525	$71,356	$545	$4,184
$8,796	$22,804	$174	$1,337
$866,093	**$2,143,014**	**$16,370**	**$127,636**
$72,856	**$181,697**	**$1,391**	**$14,568**
$39,444	**$98,096**	**$751**	**$8,147**
$0	$0	$0	$0
$0	$906,185	$6,925	$51,447
$0	$0	$0	$0
$0	$1,435,187	$10,968	$81,480
$0	***$2,341,372***	***$17,893***	***$132,927***
$0	$0	$0	$0
$0	($584,453)	($4,466)	($33,181)

$0	$0	$0	$0
$0	($799,243)	($6,108)	($45,376)
$0	***($1,383,696)***	***($10,574)***	***($78,557)***
$0	$957,676	$7,318	$54,370
$0	$31,888	$244	$1,782
$0	$989,564	$7,562	$56,153
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	$0	$0	$0
$0	***$0***	***$0***	***$0***
$0	$0	$0	$0
$761,793	$1,169,184	$8,935	$61,764
$0	$0	$0	$0
$629,574	$966,257	$7,384	$51,044
$1,391,367	***$2,135,441***	***$16,319***	***$112,808***

Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)
$ -	$ 9,264	$ 71	$ 526
$ -	$ -	$ -	$ -
$ -	$ 1,459	$ 11	$ 83
$ -	$ -	$ -	$ -
$ 19,042	$ 51,876	$ 396	$ 2,830
$ 3,234	$ 12,335	$ 94	$ 681
$ 22,276	**$ 74,934**	**$ 573**	**$ 4,119**

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

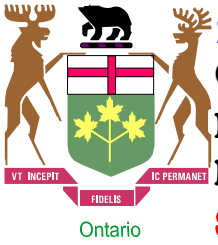
EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O3.5 USL Metering Credit Worksheet - Se

ALLOCATION BY RATE CLASSIFICATION

Description	GS <50 (C1)
Depreciation on Acct 1860 Metering	$45,795
Depreciation on General Plant Assigned to Metering	$6,423
Acct 5065 - Meter expense	$120,297
Acct 5070 & 5075 - Customer Premises	$0
Acct 5175 - Meter Maintenance	$6,152
Acct 5310 - Meter Reading	$16,330
Admin and General Assigned to Metering	$247,445
PILs on Metering	$34,577
Debt Return on Metering	$31,992
Equity Return on Metering	$39,714
Total	$548,724
Number of Customers	3,576
Metering Unit Cost ($/Customer/Month)	**$12.79**
General Plant - Gross Assets	$939,915
General Plant - Accumulated Depreciation	($794,790)
General Plant - Net Fixed Assets	$145,125
General Plant - Depreciation	$46,378
Total Net Fixed Assets Excluding General Plant	$4,584,745
Total Administration and General Expense	$762,907
Total O&M	$440,207
Metering Rate Base	
Acct 1860 - Metering - Gross Assets	$1,425,709
Metering - Accumulated Depreciation	($790,733)
Metering - Net Fixed Assets	$634,976
General Plant Assigned to Metering - NFA	$20,099
Metering Net Fixed Assets Including General Plant	$655,075



2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O4 Summary of Allocators by Class & Ac

ALLOCATION BY RATE CLASSIFICATION

USoA Account #	Accounts	O1 Grouping
1565	Conservation and Demand Management Expenditures and Recoveries	dp
1608	Franchises and Consents	gp
1805	Land	dp
1805-1	Land Station >50 kV	dp
1805-2	Land Station <50 kV	dp
1806	Land Rights	dp
1806-1	Land Rights Station >50 kV	dp
1806-2	Land Rights Station <50 kV	dp
1808	Buildings and Fixtures	dp
1808-1	Buildings and Fixtures > 50 kV	dp
1808-2	Buildings and Fixtures < 50 KV	dp
1810	Leasehold Improvements	dp
1810-1	Leasehold Improvements >50 kV	dp
1810-2	Leasehold Improvements <50 kV	dp
1815	Transformer Station Equipment - Normally Primary above 50 kV	dp
1820	Distribution Station Equipment - Normally Primary below 50 kV	dp
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	dp
1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	dp
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	dp
1825	Storage Battery Equipment	dp
1825-1	Storage Battery Equipment > 50 kV	dp
1825-2	Storage Battery Equipment <50 kV	dp
1830	Poles, Towers and Fixtures	dp
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	dp
1830-4	Poles, Towers and Fixtures - Primary	dp
1830-5	Poles, Towers and Fixtures - Secondary	dp
1835	Overhead Conductors and Devices	dp
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	dp
1835-4	Overhead Conductors and Devices - Primary	dp
1835-5	Overhead Conductors and Devices - Secondary	dp
1840	Underground Conduit	dp

1840-3	Underground Conduit - Bulk Delivery	**dp**
1840-4	Underground Conduit - Primary	**dp**
1840-5	Underground Conduit - Secondary	**dp**
1845	Underground Conductors and Devices	**dp**
1845-3	Underground Conductors and Devices - Bulk Delivery	**dp**
1845-4	Underground Conductors and Devices - Primary	**dp**
1845-5	Underground Conductors and Devices - Secondary	**dp**
1850	Line Transformers	**dp**
1855	Services	**dp**
1860	Meters	**dp**
1905	Land	**gp**
1906	Land Rights	**gp**
1908	Buildings and Fixtures	**gp**
1910	Leasehold Improvements	**gp**
1915	Office Furniture and Equipment	**gp**
1920	Computer Equipment - Hardware	**gp**
1925	Computer Software	**gp**
1930	Transportation Equipment	**gp**
1935	Stores Equipment	**gp**
1940	Tools, Shop and Garage Equipment	**gp**
1945	Measurement and Testing Equipment	**gp**
1950	Power Operated Equipment	**gp**
1955	Communication Equipment	**gp**
1960	Miscellaneous Equipment	**gp**
1970	Load Management Controls - Customer Premises	**gp**
1975	Load Management Controls - Utility Premises	**gp**
1980	System Supervisory Equipment	**gp**
1990	Other Tangible Property	**gp**
1995	Contributions and Grants - Credit	**co**
2005	Property Under Capital Leases	**gp**
2010	Electric Plant Purchased or Sold	**gp**
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	**accum dep**
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	**accum dep**
3046	Balance Transferred From Income	**NI**
4080	Distribution Services Revenue	**CREV**
4082	Retail Services Revenues	**mi**
4084	Service Transaction Requests (STR) Revenues	**mi**
4090	Electric Services Incidental to Energy Sales	**mi**
4205	Interdepartmental Rents	**mi**
4210	Rent from Electric Property	**mi**
4215	Other Utility Operating Income	**mi**
4220	Other Electric Revenues	**mi**
4225	Late Payment Charges	**mi**
4235	Miscellaneous Service Revenues	**mi**
4240	Provision for Rate Refunds	**mi**
4245	Government Assistance Directly Credited to Income	**mi**
4305	Regulatory Debits	**mi**

4310	Regulatory Credits	**mi**
4315	Revenues from Electric Plant Leased to Others	**mi**
4320	Expenses of Electric Plant Leased to Others	**mi**
4325	Revenues from Merchandise, Jobbing, Etc.	**mi**
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	**mi**
4335	Profits and Losses from Financial Instrument Hedges	**mi**
4340	Profits and Losses from Financial Instrument Investments	**mi**
4345	Gains from Disposition of Future Use Utility Plant	**mi**
4350	Losses from Disposition of Future Use Utility Plant	**mi**
4355	Gain on Disposition of Utility and Other Property	**mi**
4360	Loss on Disposition of Utility and Other Property	**mi**
4365	Gains from Disposition of Allowances for Emission	**mi**
4370	Losses from Disposition of Allowances for Emission	**mi**
4390	Miscellaneous Non-Operating Income	**mi**
4395	Rate-Payer Benefit Including Interest	**mi**
4398	Foreign Exchange Gains and Losses, Including Amortization	**mi**
4405	Interest and Dividend Income	**mi**
4415	Equity in Earnings of Subsidiary Companies	**mi**
4705	Power Purchased	**cop**
4708	Charges-WMS	**cop**
4710	Cost of Power Adjustments	**cop**
4712	Charges-One-Time	**cop**
4714	Charges-NW	**cop**
4715	System Control and Load Dispatching	**cop**
4716	Charges-CN	**cop**
4730	Rural Rate Assistance Expense	**cop**
5005	Operation Supervision and Engineering	**di**
5010	Load Dispatching	**di**
5012	Station Buildings and Fixtures Expense	**di**
5014	Transformer Station Equipment - Operation Labour	**di**
5015	Transformer Station Equipment - Operation Supplies and Expenses	**di**
5016	Distribution Station Equipment - Operation Labour	**di**
5017	Distribution Station Equipment - Operation Supplies and Expenses	**di**
5020	Overhead Distribution Lines and Feeders - Operation Labour	**di**
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	**di**
5030	Overhead Subtransmission Feeders - Operation	**di**
5035	Overhead Distribution Transformers- Operation	**di**
5040	Underground Distribution Lines and Feeders - Operation Labour	**di**
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	**di**
5050	Underground Subtransmission Feeders - Operation	**di**
5055	Underground Distribution Transformers - Operation	**di**

5065	Meter Expense	cu
5070	Customer Premises - Operation Labour	cu
5075	Customer Premises - Materials and Expenses	cu
5085	Miscellaneous Distribution Expense	di
5090	Underground Distribution Lines and Feeders - Rental Paid	di
5095	Overhead Distribution Lines and Feeders - Rental Paid	di
5096	Other Rent	di
5105	Maintenance Supervision and Engineering	di
5110	Maintenance of Buildings and Fixtures - Distribution Stations	di
5112	Maintenance of Transformer Station Equipment	di
5114	Maintenance of Distribution Station Equipment	di
5120	Maintenance of Poles, Towers and Fixtures	di
5125	Maintenance of Overhead Conductors and Devices	di
5130	Maintenance of Overhead Services	di
5135	Overhead Distribution Lines and Feeders - Right of Way	di
5145	Maintenance of Underground Conduit	di
5150	Maintenance of Underground Conductors and Devices	di
5155	Maintenance of Underground Services	di
5160	Maintenance of Line Transformers	di
5175	Maintenance of Meters	cu
5305	Supervision	cu
5310	Meter Reading Expense	cu
5315	Customer Billing	cu
5320	Collecting	cu
5325	Collecting- Cash Over and Short	cu
5330	Collection Charges	cu
5335	Bad Debt Expense	cu
5340	Miscellaneous Customer Accounts Expenses	cu
5405	Supervision	ad
5410	Community Relations - Sundry	ad
5415	Energy Conservation	ad
5420	Community Safety Program	ad
5425	Miscellaneous Customer Service and Informational Expenses	ad
5505	Supervision	ad
5510	Demonstrating and Selling Expense	ad
5515	Advertising Expense	ad
5520	Miscellaneous Sales Expense	ad
5605	Executive Salaries and Expenses	ad
5610	Management Salaries and Expenses	ad
5615	General Administrative Salaries and Expenses	ad
5620	Office Supplies and Expenses	ad
5625	Administrative Expense Transferred Credit	ad

5630	Outside Services Employed	ad
5635	Property Insurance	ad
5640	Injuries and Damages	ad
5645	Employee Pensions and Benefits	ad
5650	Franchise Requirements	ad
5655	Regulatory Expenses	ad
5660	General Advertising Expenses	ad
5665	Miscellaneous General Expenses	ad
5670	Rent	ad
5675	Maintenance of General Plant	ad
5680	Electrical Safety Authority Fees	ad
5685	Independent Market Operator Fees and Penalties	cop
5705	Amortization Expense - Property, Plant, and Equipment	dep
5710	Amortization of Limited Term Electric Plant	dep
5715	Amortization of Intangibles and Other Electric Plant	dep
5720	Amortization of Electric Plant Acquisition Adjustments	dep
5730	Amortization of Unrecovered Plant and Regulatory Study Costs	dep
5735	Amortization of Deferred Development Costs	dep
5740	Amortization of Deferred Charges	dep
6005	Interest on Long Term Debt	INT
6105	Taxes Other Than Income Taxes	ad
6110	Income Taxes	Input
6205	Donations	ad
6210	Life Insurance	ad
6215	Penalties	ad
6225	Other Deductions	ad

Grouping by Allocator
1808
1815
1820
1830
1835
1840

1845
1850
1855
1860
1815-1855
1830 & 1835
1840 & 1845
BCP
BDHA
Break Out
CCA
CDMPP
CEN
CEN EWMP
CREV
CWCS
CWMC
CWMR
CWNB
DCP
LPHA
LTNCP
NFA
NFA ECC
O&M
PNCP
SNCP
TCP

Total

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O5 Details of Allocators by Class and Accou

Uniform System of Accounts - Detail Accounts

USoA Account #	Accounts	Reclassified Balance	Financial Statement - Asset Break Out includes Acc Dep and Contributed Capital
1565	Conservation and Demand Management Expenditures and Recoveries		
1608	Franchises and Consents		
1805	Land		
1805-1	Land Station >50 kV		
1805-2	Land Station <50 kV		
1806	Land Rights		
1806-1	Land Rights Station >50 kV		
1806-2	Land Rights Station <50 kV		
1808	Buildings and Fixtures		
1808-1	Buildings and Fixtures > 50 kV		
1808-2	Buildings and Fixtures < 50 KV		
1810	Leasehold Improvements		
1810-1	Leasehold Improvements >50 kV		
1810-2	Leasehold Improvements <50 kV		
	Transformer Station Equipment - Normally		
1815	Primary above 50 kV		
	Distribution Station Equipment - Normally		
1820	Primary below 50 kV		
	Distribution Station Equipment - Normally		
1820-1	Primary below 50 kV (Bulk)		
	Distribution Station Equipment - Normally		
1820-2	Primary below 50 kV (Primary)		
	Distribution Station Equipment - Normally		
1820-3	Primary below 50 kV (Wholesale Meters)		
1825	Storage Battery Equipment		
1825-1	Storage Battery Equipment > 50 kV		
1825-2	Storage Battery Equipment <50 kV		
1830	Poles, Towers and Fixtures		
	Poles, Towers and Fixtures - Subtransmission		
1830-3	Bulk Delivery		

1830-4	Poles, Towers and Fixtures - Primary
1830-5	Poles, Towers and Fixtures - Secondary
1835	Overhead Conductors and Devices
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery
1835-4	Overhead Conductors and Devices - Primary
1835-5	Overhead Conductors and Devices - Secondary
1840	Underground Conduit
1840-3	Underground Conduit - Bulk Delivery
1840-4	Underground Conduit - Primary
1840-5	Underground Conduit - Secondary
1845	Underground Conductors and Devices
1845-3	Underground Conductors and Devices - Bulk Delivery
1845-4	Underground Conductors and Devices - Primary
1845-5	Underground Conductors and Devices - Secondary
1850	Line Transformers
1855	Services
1860	Meters
1905	Land
1906	Land Rights
1908	Buildings and Fixtures
1910	Leasehold Improvements
1915	Office Furniture and Equipment
1920	Computer Equipment - Hardware
1925	Computer Software
1930	Transportation Equipment
1935	Stores Equipment
1940	Tools, Shop and Garage Equipment
1945	Measurement and Testing Equipment
1950	Power Operated Equipment
1955	Communication Equipment
1960	Miscellaneous Equipment
1970	Load Management Controls - Customer Premises
1975	Load Management Controls - Utility Premises
1980	System Supervisory Equipment
1990	Other Tangible Property
1995	Contributions and Grants - Credit
2005	Property Under Capital Leases
2010	Electric Plant Purchased or Sold
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment
2120	Accumulated Amortization of Electric Utility Plant - Intangibles
3046	Balance Transferred From Income
4080	Distribution Services Revenue
4082	Retail Services Revenues

4084	Service Transaction Requests (STR) Revenues
4090	Electric Services Incidental to Energy Sales
4205	Interdepartmental Rents
4210	Rent from Electric Property
4215	Other Utility Operating Income
4220	Other Electric Revenues
4225	Late Payment Charges
4235	Miscellaneous Service Revenues
4240	Provision for Rate Refunds
4245	Government Assistance Directly Credited to Income
4305	Regulatory Debits
4310	Regulatory Credits
4315	Revenues from Electric Plant Leased to Others
4320	Expenses of Electric Plant Leased to Others
4325	Revenues from Merchandise, Jobbing, Etc.
4330	Costs and Expenses of Merchandising, Jobbing, Etc.
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
4360	Loss on Disposition of Utility and Other Property
4365	Gains from Disposition of Allowances for Emission
4370	Losses from Disposition of Allowances for Emission
4390	Miscellaneous Non-Operating Income
4395	Rate-Payer Benefit Including Interest
4398	Foreign Exchange Gains and Losses, Including Amortization
4405	Interest and Dividend Income
4415	Equity in Earnings of Subsidiary Companies
4705	Power Purchased
4708	Charges-WMS
4710	Cost of Power Adjustments
4712	Charges-One-Time
4714	Charges-NW
4715	System Control and Load Dispatching
4716	Charges-CN
4730	Rural Rate Assistance Expense
5005	Operation Supervision and Engineering
5010	Load Dispatching

5012	Station Buildings and Fixtures Expense
5014	Transformer Station Equipment - Operation Labour
5015	Transformer Station Equipment - Operation Supplies and Expenses
5016	Distribution Station Equipment - Operation Labour
5017	Distribution Station Equipment - Operation Supplies and Expenses
5020	Overhead Distribution Lines and Feeders - Operation Labour
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses
5030	Overhead Subtransmission Feeders - Operation
5035	Overhead Distribution Transformers- Operation
5040	Underground Distribution Lines and Feeders - Operation Labour
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses
5050	Underground Subtransmission Feeders - Operation
5055	Underground Distribution Transformers - Operation
5065	Meter Expense
5070	Customer Premises - Operation Labour
5075	Customer Premises - Materials and Expenses
5085	Miscellaneous Distribution Expense
5090	Underground Distribution Lines and Feeders - Rental Paid
5095	Overhead Distribution Lines and Feeders - Rental Paid
5096	Other Rent
5105	Maintenance Supervision and Engineering
5110	Maintenance of Buildings and Fixtures - Distribution Stations
5112	Maintenance of Transformer Station Equipment
5114	Maintenance of Distribution Station Equipment
5120	Maintenance of Poles, Towers and Fixtures
5125	Maintenance of Overhead Conductors and Devices
5130	Maintenance of Overhead Services
5135	Overhead Distribution Lines and Feeders - Right of Way
5145	Maintenance of Underground Conduit
5150	Maintenance of Underground Conductors and Devices
5155	Maintenance of Underground Services

5160	Maintenance of Line Transformers
5175	Maintenance of Meters
5305	Supervision
5310	Meter Reading Expense
5315	Customer Billing
5320	Collecting
5325	Collecting- Cash Over and Short
5330	Collection Charges
5335	Bad Debt Expense
5340	Miscellaneous Customer Accounts Expenses
5405	Supervision
5410	Community Relations - Sundry
5415	Energy Conservation
5420	Community Safety Program
5425	Miscellaneous Customer Service and Informational Expenses
5505	Supervision
5510	Demonstrating and Selling Expense
5515	Advertising Expense
5520	Miscellaneous Sales Expense
5605	Executive Salaries and Expenses
5610	Management Salaries and Expenses
5615	General Administrative Salaries and Expenses
5620	Office Supplies and Expenses
5625	Administrative Expense Transferred Credit
5630	Outside Services Employed
5635	Property Insurance
5640	Injuries and Damages
5645	Employee Pensions and Benefits
5650	Franchise Requirements
5655	Regulatory Expenses
5660	General Advertising Expenses
5665	Miscellaneous General Expenses
5670	Rent
5675	Maintenance of General Plant
5680	Electrical Safety Authority Fees
5685	Independent Market Operator Fees and Penalties
5705	Amortization Expense - Property, Plant, and Equipment
5710	Amortization of Limited Term Electric Plant
5715	Amortization of Intangibles and Other Electric Plant
5720	Amortization of Electric Plant Acquisition Adjustments
5730	Amortization of Unrecovered Plant and Regulatory Study Costs
5735	Amortization of Deferred Development Costs
5740	Amortization of Deferred Charges
6005	Interest on Long Term Debt

6105	Taxes Other Than Income Taxes		
6110	Income Taxes		
6205	Donations		
6210	Life Insurance		
6215	Penalties		
6225	Other Deductions		
		$116,616,204	$0

[redacted]

Grouping by Allocator

	Adjusted TB	Demand
1808	$ -	$ -
1815	$ -	$ -
1820	$ 52,421.42	$ 52,421.42
1830	$ 135,135.60	$ 81,081.36
1835	$ -	$ -
1840	$ 21,284.15	$ 12,770.49
1845	$ -	$ -
1850	$ 289,348.00	$ 173,608.80
1855	$ -	$ -
1860	$ 30,540.18	$ -
1815-1855	$ 48,321.12	$ 28,992.67
1830 & 1835	$ 756,995.97	$ 454,197.58
1840 & 1845	$ 179,985.75	$ 107,991.45
BCP	$ -	$ -
BDHA	$ 335,382.85	$ -
Break Out	$ (63,049,427.23)	$ -
CCA	$ -	$ -
CDMPP	$ 400,000.05	$ -
CEN	$ 12,073,504.43	$ -
CEN EWMP	$ 69,974,425.19	$ -
CREV	$ (17,624,988.00)	$ -
CWCS	$ -	$ -
CWMC	$ 7,674,556.01	$ -
CWMR	$ 160,098.12	$ -
CWNB	$ 316,152.57	$ -
DCP	$ 632,616.44	$ 632,616.44
LPHA	$ (200,531.92)	$ -
LTNCP	$ 15,508,716.06	$ 9,305,229.63
NFA	$ 1,089,657.08	$ -
NFA ECC	$ 8,160,293.52	$ -
O&M	$ 5,429,752.13	$ -
PNCP	$ 40,066,307.39	$ 27,598,688.21
SNCP	$ 34,155,657.21	$ 20,493,394.33
TCP	$ -	$ -

Total	**$ 116,616,204**	**$ 58,940,992**

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O6 Composite Allocator Detail Worksheet - Second Run

Details:

Output Sheet Details How Various Composite Allocators are Derived

Demand Allocators can be found in columns C to AG
Customer Allocators can be found in columns AJ to BN

Demand Allocators

				1	2	3	4	5	6	7	8
			Demand Total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel
		Composite allocators									
		Rate Base									
	1565	Conservation and Demand Management	$0	$0	$0	$0	$0	$0	$0	$0	$0
	1805-1	Land Station >50 kV		$0	$0	$0	$0	$0	$0	$0	$0
	1805-2	Land Station <50 kV		$48,401	$10,884	$25,452	$2,122	$5,109	$6,102	$624	$3
	1805	Total	$98,896	$48,401	$10,884	$25,452	$2,122	$5,109	$6,102	$624	$3
	1806-1	Land Rights Station >50 kV		$0	$0	$0	$0	$0	$0	$0	$0
	1806-2	Land Rights Station <50 kV		$0	$0	$0	$0	$0	$0	$0	$0
	1806	Total	$0	$0	$0	$0	$0	$0	$0	$0	$0
	1808-1	Buildings and Fixtures > 50 kV		$0	$0	$0	$0	$0	$0	$0	$0
	1808-2	Buildings and Fixtures < 50 KV		$261,210	$58,736	$137,360	$11,451	$27,572	$32,930	$3,368	$15
	1808	Total	$533,720	$261,210	$58,736	$137,360	$11,451	$27,572	$32,930	$3,368	$15
	1810-1	Leasehold Improvements >50 kV		$0	$0	$0	$0	$0	$0	$0	$0
	1810-2	Leasehold Improvements <50 kV		$0	$0	$0	$0	$0	$0	$0	$0
	1810	Total	$0	$0	$0	$0	$0	$0	$0	$0	$0
	1815	Transformer Station Equipment - Normally Primary above 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0
	1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	$0	$0	$0	$0	$0	$0	$0	$0	$0
	1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	$8,897,259	$3,888,083	$1,167,126	$2,444,658	$196,495	$515,228	$661,745	$0	$0
	1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	$0	$0	$0	$0	$0	$0	$0	$0	$0
	1820	Total	$8,897,259	$3,888,083	$1,167,126	$2,444,658	$196,495	$515,228	$661,745	$0	$0
	1815 & 1820	Total	$8,897,259	$3,888,083	$1,167,126	$2,444,658	$196,495	$515,228	$661,745	$0	$0
	1825-1	Storage Battery Equipment > 50 kV		$0	$0	$0	$0	$0	$0	$0	$0
	1825-2	Storage Battery Equipment <50 kV		$0	$0	$0	$0	$0	$0	$0	$0
	1825	Total	$0	$0	$0	$0	$0	$0	$0	$0	$0
	1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery		$0	$0	$0	$0	$0	$0	$0	$0
	1830-4	Poles, Towers and Fixtures - Primary		$0	$0	$0	$0	$0	$0	$0	$0
	1830-5	Poles, Towers and Fixtures - Secondary		$0	$0	$0	$0	$0	$0	$0	$0
	1830	Total	$0	$0	$0	$0	$0	$0	$0	$0	$0
	1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery		$0	$0	$0	$0	$0	$0	$0	$0
	1835-4	Overhead Conductors and Devices - Primary		$4,474,549	$1,343,172	$2,813,403	$226,133	$592,943	$761,561	$0	$0

	A	B	C	D	E	F	G	H	I	J	K
65	1835-5	Overhead Conductors and Devices - Secondary		$4,049,292	$1,214,716	$2,507,310	$99,672	$35,686	$0	$0	$0
66	1835	Total	$18,170,885	$8,523,841	$2,557,887	$5,320,712	$325,805	$628,629	$761,561	$0	$0
67											
68	1830 & 1835	Total	$18,170,885	$8,523,841	$2,557,887	$5,320,712	$325,805	$628,629	$761,561	$0	$0
69											
70	1840-3	Underground Conduit - Bulk Delivery		$0	$0	$0	$0	$0	$0	$0	$0
71	1840-4	Underground Conduit - Primary		$0	$0	$0	$0	$0	$0	$0	$0
72	1840-5	Underground Conduit - Secondary		$0	$0	$0	$0	$0	$0	$0	$0
73	1840	Total	$0	$0	$0	$0	$0	$0	$0	$0	$0
74											
75	1845-3	Underground Conductors and Devices - Bulk Delivery		$0	$0	$0	$0	$0	$0	$0	$0
76	1845-4	Underground Conductors and Devices - Primary		$3,697,934	$1,110,047	$2,325,101	$186,885	$490,030	$629,382	$0	$0
77	1845-5	Underground Conductors and Devices - Secondary		$6,413,140	$1,923,828	$3,970,997	$157,857	$56,518	$0	$0	$0
78	1845	Total	$21,023,938	$10,111,075	$3,033,876	$6,296,099	$344,742	$546,548	$629,382	$0	$0
79											
80	1840 & 1845	Total	$21,023,938	$10,111,075	$3,033,876	$6,296,099	$344,742	$546,548	$629,382	$0	$0
81											
82	1850	Line Transformers	$9,305,230	$4,737,877	$1,422,130	$2,957,693	$116,621	$41,754	$0	$0	$0
83											
84	1815- 1850	Total	$57,397,312	$27,260,876	$8,181,020	$17,019,163	$983,664	$1,732,159	$2,052,689	$0	$0
85											
86	1855	Services	$0	$0	$0	$0	$0	$0	$0	$0	$0
87											
88	1815- 1855	Total	$57,397,312	$27,260,876	$8,181,020	$17,019,163	$983,664	$1,732,159	$2,052,689	$0	$0
89											
90	1860	Meters	$0	$0	$0	$0	$0	$0	$0	$0	$0
91											
92	1815-1860	Total	$57,397,312	$27,260,876	$8,181,020	$17,019,163	$983,664	$1,732,159	$2,052,689	$0	$0
93											
94	1565-1860	Total	$58,029,929	$27,570,486	$8,250,639	$17,181,975	$997,236	$1,764,839	$2,091,721	$3,992	$18
95											
96		Total Demand And Customer	$97,840,684	$55,900,517	$11,694,202	$18,909,577	$1,299,760	$1,882,269	$2,224,081	$5,555,640	$42,444
97		Accum Depreciation - NFA	($59,729,213)	($34,111,031)	($7,109,457)	($11,576,782)	($781,397)	($1,149,299)	($1,357,988)	($3,412,627)	($26,074)
98		Accum Depreciation - NFA ECC	($52,051,426)	($29,608,505)	($6,265,612)	($10,188,512)	($699,181)	($1,010,975)	($1,194,457)	($2,886,455)	($22,053)
99	NFA	Net Fixed Assets	$38,111,471	$21,789,486	$4,584,745	$7,332,795	$518,363	$732,971	$866,093	$2,143,014	$16,370
100	NFA ECC	Net Fixed Assets Excluding Capital Contribution	$45,789,258	$26,292,012	$5,428,590	$8,721,065	$600,579	$871,294	$1,029,624	$2,669,185	$20,391
101											
102											
103	**Operating and Maintenance**			Allocate all the costs to the O and M expenses before using it as a composite allocator.							
104											
105	**Acccounts**										
106	5005	Operation Supervision and Engineering									
107	5010	Load Dispatching									
108	5012	Station Buildings and Fixtures Expense									
109	5014	Transformer Station Equipment - Operation Labour									
110	5015	Transformer Station Equipment - Operation Supplies and Expenses									
111	5016	Distribution Station Equipment - Operation Labour									
112	5017	Distribution Station Equipment - Operation Supplies and Expenses									
113	5020	Overhead Distribution Lines and Feeders - Operation Labour									
114	5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses									
115	5030	Overhead Subtransmission Feeders - Operation									
116	5035	Overhead Distribution Transformers- Operation									
117	5040	Underground Distribution Lines and Feeders - Operation Labour									
118	5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses									
119	5050	Underground Subtransmission Feeders - Operation									

	A	B	C	D	E	F	G	H	I	J	K
120	5055	Underground Distribution Transformers - Operation									
121	5065	Meter Expense									
122	5070	Customer Premises - Operation Labour									
123	5075	Customer Premises - Materials and Expenses									
124	5085	Miscellaneous Distribution Expense									
125	5090	Underground Distribution Lines and Feeders - Rental Paid									
126	5095	Overhead Distribution Lines and Feeders - Rental Paid									
127	5096	Other Rent									
128	5105	Maintenance Supervision and Engineering									
129	5110	Maintenance of Buildings and Fixtures - Distribution Stations									
130	5112	Maintenance of Transformer Station Equipment									
131	5114	Maintenance of Distribution Station Equipment									
132	5120	Maintenance of Poles, Towers and Fixtures									
133	5125	Maintenance of Overhead Conductors and Devices									
134	5130	Maintenance of Overhead Services									
135	5135	Overhead Distribution Lines and Feeders - Right of Way									
136	5145	Maintenance of Underground Conduit									
137	5150	Maintenance of Underground Conductors and Devices									
138	5155	Maintenance of Underground Services									
139	5160	Maintenance of Line Transformers									
140	5175	Maintenance of Meters									
141	5305	Supervision									
142	5310	Meter Reading Expense									
143	5315	Customer Billing									
144	5320	Collecting									
145	5325	Collecting- Cash Over and Short									
146	5330	Collection Charges									
147	5335	Bad Debt Expense									
148	5340	Miscellaneous Customer Accounts Expenses									
149											
150	O&M DC	Total	$911,064	$437,985	$131,436	$273,187	$14,924	$23,632	$27,205	$0	$0
151											
152	O&M	Total Demand and Customer	$3,329,734	$2,151,696	$440,207	$490,208	$65,306	$35,878	$39,444	$98,096	$751
153											
154											
155	**Accounts**										
156	4705	Power Purchased	$62,559,637	$26,346,629	$7,409,022	$14,617,361	$2,375,734	$6,129,644	$5,105,001	$415,540	$2,300
157	4708	Charges-WMS	$7,302,239	$3,075,296	$864,814	$1,706,204	$277,306	$715,479	$595,878	$48,504	$268
158	4710	Cost of Power Adjustments	$60,801	$25,606	$7,201	$14,207	$2,309	$5,957	$4,962	$404	$2
159	4712	Charges-One-Time	$51,748	$21,793	$6,129	$12,091	$1,965	$5,070	$4,223	$344	$2
160	4714	Charges-NW	$6,471,772	$2,725,549	$766,461	$1,512,161	$245,769	$634,109	$528,111	$42,988	$238
161	4716	Charges-CN	$5,601,733	$2,359,137	$663,421	$1,308,872	$212,729	$548,862	$457,113	$37,208	$206
162	4730	Rural Rate Assistance Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0
163	5685	Independent Market Operator Fees and Penalties	$0	$0	$0	$0	$0	$0	$0	$0	$0
164											
165	COP	Cost of Power	$82,047,930	$34,554,010	$9,717,047	$19,170,895	$3,115,811	$8,039,123	$6,695,288	$544,988	$3,017
166											
167	**Acccounts**										
168	5005	Operation Supervision and Engineering									
169	5010	Load Dispatching									
170	5012	Station Buildings and Fixtures Expense									
171	5014	Transformer Station Equipment - Operation Labour									
172	5015	Transformer Station Equipment - Operation Supplies and Expenses									
173	5016	Distribution Station Equipment - Operation Labour									

	A	B	C	D	E	F	G	H	I	J	K
174	5017	Distribution Station Equipment - Operation Supplies and Expenses									
175	5020	Overhead Distribution Lines and Feeders - Operation Labour									
176	5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses									
177	5030	Overhead Subtransmission Feeders - Operation									
178	5035	Overhead Distribution Transformers- Operation									
179	5040	Underground Distribution Lines and Feeders - Operation Labour									
180	5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses									
181	5050	Underground Subtransmission Feeders - Operation									
182	5055	Underground Distribution Transformers - Operation									
183	5065	Meter Expense									
184	5070	Customer Premises - Operation Labour									
185	5075	Customer Premises - Materials and Expenses									
186	5085	Miscellaneous Distribution Expense									
187	5090	Underground Distribution Lines and Feeders - Rental Paid									
188	5095	Overhead Distribution Lines and Feeders - Rental Paid									
189	5096	Other Rent									
190	5105	Maintenance Supervision and Engineering									
191	5110	Maintenance of Buildings and Fixtures - Distribution Stations									
192	5112	Maintenance of Transformer Station Equipment									
193	5114	Maintenance of Distribution Station Equipment									
194	5120	Maintenance of Poles, Towers and Fixtures									
195	5125	Maintenance of Overhead Conductors and Devices									
196	5130	Maintenance of Overhead Services									
197	5135	Overhead Distribution Lines and Feeders - Right of Way									
198	5145	Maintenance of Underground Conduit									
199	5150	Maintenance of Underground Conductors and Devices									
200	5155	Maintenance of Underground Services									
201	5160	Maintenance of Line Transformers									
202	5175	Maintenance of Meters									
203	5305	Supervision									
204	5310	Meter Reading Expense									
205	5315	Customer Billing									
206	5320	Collecting									
207	5325	Collecting- Cash Over and Short									
208	5330	Collection Charges									
209	5335	Bad Debt Expense									
210	5340	Miscellaneous Customer Accounts Expenses									
211	5405	Supervision									
212	5410	Community Relations - Sundry									
213	5415	Energy Conservation									
214	5420	Community Safety Program									
215	5425	Miscellaneous Customer Service and Informational Expenses									
216	5505	Supervision									
217	5510	Demonstrating and Selling Expense									
218	5515	Advertising Expense									
219	5520	Miscellaneous Sales Expense									
220	5605	Executive Salaries and Expenses									
221	5610	Management Salaries and Expenses									

	A	B	C	D	E	F	G	H	I	J	K
222	5615	General Administrative Salaries and Expenses									
223	5620	Office Supplies and Expenses									
224	5625	Administrative Expense Transferred Credit									
225	5630	Outside Services Employed									
226	5635	Property Insurance									
227	5640	Injuries and Damages									
228	5645	Employee Pensions and Benefits									
229	5650	Franchise Requirements									
230	5655	Regulatory Expenses									
231	5660	General Advertising Expenses									
232	5665	Miscellaneous General Expenses									
233	5670	Rent									
234	5675	Maintenance of General Plant									
235	5680	Electrical Safety Authority Fees									
236	6105	Taxes Other Than Income Taxes									
237	6205	Donations									
238	6210	Life Insurance									
239	6215	Penalties									
240	6225	Other Deductions									
241											
242		**OM&A Expenses**	**$9,137,472**	**$5,877,116**	**$1,203,114**	**$1,361,858**	**$176,828**	**$101,607**	**$112,300**	**$279,792**	**$2,142**
243											
244											
245											
246											
247			**Demand Allocators**								
248		**Grouping of Operating and Maintenance Distribution Costs (lines 106 - 148)**	**Demand Total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**	**Street Light**	**Sentinel**
249											
250		**1808**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
251		**1815**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
252		**1820**	$ 52,421	$ 22,908	$ 6,877	$ 14,404	$ 1,158	$ 3,036	$ 3,899	$ 0	$ 0
253		**1830**	$ 81,081	$ 41,394	$ 12,418	$ 25,631	$ 1,019	$ 365	$ -	$ -	$ -
254		**1835**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
255		**1840**	$ 12,770	$ 6,520	$ 1,956	$ 4,037	$ 160	$ 57	$ -	$ -	$ -
256		**1845**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
257		**1850**	$ 173,609	$ 88,395	$ 26,533	$ 55,182	$ 2,176	$ 779	$ -	$ -	$ -
258		**1855**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
259		**1860**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
260		**1815-1855**	$ 28,993	$ 13,770	$ 4,132	$ 8,597	$ 497	$ 875	$ 1,037	$ 0	$ 0
261		**1830 & 1835**	$ 454,198	$ 213,061	$ 63,937	$ 132,996	$ 8,144	$ 15,713	$ 19,036	$ -	$ -
262		**1840 & 1845**	$ 107,991	$ 51,936	$ 15,584	$ 32,341	$ 1,771	$ 2,807	$ 3,233	$ -	$ -
263		**BCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
264		**BDHA**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
265		**Break Out**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
266		**CCA**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
267		**CDMPP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
268		**CEN**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
269		**CEN EWMP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
270		**CREV**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
271		**CWCS**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
272		**CWMC**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
273		**CWMR**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
274		**CWNB**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
275		**DCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
276		**LPHA**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
277		**LTNCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
278		**NFA**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
279		**NFA ECC**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
280		**O&M**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
281		**PNCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
282		**SNCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
283		**TCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
284											
285		**Total**	**$ 911,064**	**$ 437,985**	**$ 131,436**	**$ 273,187**	**$ 14,924**	**$ 23,632**	**$ 27,205**	**$ 0**	**$ 0**
286											
287											
288			**Demand Allocators**								
289		**Grouping of OM&A (lines 168 - 240)**	**Demand Total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**	**Street Light**	**Sentinel**
290											

	A	B	C	D	E	F	G	H	I	J	K	
291		**1808**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
292		**1815**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
293		**1820**	$ 52,421	$ 22,908	$ 6,877	$ 14,404	$ 1,158	$ 3,036	$ 3,899	$ 0	$ 0	
294		**1830**	$ 135,136	$ 82,104	$ 15,702	$ 26,031	$ 1,073	$ 366	$ -	$ 9,264	$ 71	
295		**1835**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
296		**1840**	$ 21,284	$ 12,932	$ 2,473	$ 4,100	$ 169	$ 58	$ -	$ 1,459	$ 11	
297		**1845**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
298		**1850**	$ 289,348	$ 175,555	$ 33,568	$ 56,042	$ 2,292	$ 781	$ -	$ 19,833	$ 152	
299		**1855**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
300		**1860**	$ 30,540	$ 16,079	$ 6,152	$ 6,161	$ 1,120	$ 480	$ 549	$ -	$ -	
301		**1815-1855**	$ 48,321	$ 28,323	$ 5,307	$ 8,741	$ 518	$ 876	$ 1,037	$ 3,312	$ 25	
302		**1830 & 1835**	$ 756,996	$ 441,034	$ 82,339	$ 135,259	$ 8,485	$ 15,736	$ 19,042	$ 51,876	$ 396	
303		**1840 & 1845**	$ 179,986	$ 106,145	$ 19,959	$ 32,877	$ 1,849	$ 2,812	$ 3,234	$ 12,335	$ 94	
304		**BCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
305		**BDHA**	$ 335,383	$ 268,253	$ 30,249	$ 29,579	$ 4,807	$ -	$ -	$ -	$ -	
306		**Break Out**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
307		**CCA**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
308		**CDMPP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
309		**CEN**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
310		**CEN EWMP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
311		**CREV**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
312		**CWCS**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
313		**CWMC**	$ 597,169	$ 314,394	$ 120,297	$ 120,460	$ 21,895	$ 9,391	$ 10,733	$ -	$ -	
314		**CWMR**	$ 160,098	$ 125,207	$ 16,330	$ 3,249	$ 13,336	$ 1,537	$ 439	$ -	$ -	
315		**CWNB**	$ 723,052	$ 558,762	$ 100,956	$ 53,306	$ 8,604	$ 807	$ 512	$ 17	$ 2	
316		**DCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
317		**LPHA**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
318		**LTNCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
319		**NFA**	$ 145,719	$ 83,312	$ 17,530	$ 28,037	$ 1,982	$ 2,803	$ 3,311	$ 8,194	$ 63	
320		**NFA ECC**	$ 232,267	$ 133,367	$ 27,537	$ 44,238	$ 3,046	$ 4,420	$ 5,223	$ 13,540	$ 103	
321		**O&M**	$ 5,429,752	$ 3,508,741	$ 717,840	$ 799,375	$ 106,494	$ 58,506	$ 64,321	$ 159,963	$ 1,225	
322		**PNCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
323		**SNCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
324		**TCP**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
325												
326		**Total**	**$ 9,137,472**	**$ 5,877,116**	**$ 1,203,114**	**$ 1,361,858**	**$ 176,828**	**$ 101,607**	**$ 112,300**	**$ 279,792**	**$ 2,142**	
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2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet O7 Amortization Output Worksheet - Second Run

Categorization and Allocation of Contributed Capital

Contributed Capital - 1995

							Demand Allocation					
							1	2	3	4	5	6
Account	Description	Contributed Capital	Demand	Customer	Total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)
1565	Conservation and Demand Management	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1805	Land	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1805-1	Land Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1805-2	Land Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1806	Land Rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1806-1	Land Rights Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1806-2	Land Rights Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1808	Buildings and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1808-1	Buildings and Fixtures > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1808-2	Buildings and Fixtures < 50 KV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1810	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1810-1	Leasehold Improvements >50 kV (Wholesale)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1810-2	Leasehold Improvements <50 kV (Other)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1815	Transformer Station Equipment - Normally Primary above 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1820	Distribution Station Equipment - Normally Primary below 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1825	Storage Battery Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1825-1	Storage Battery Equipment > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1825-2	Storage Battery Equipment <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1830	Poles, Towers and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1830-4	Poles, Towers and Fixtures - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1830-5	Poles, Towers and Fixtures - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1835	Overhead Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1835-4	Overhead Conductors and Devices - Primary	($2,005,753)	($1,203,452)	($802,301)	($2,005,753)	($525,906)	($157,867)	($330,667)	($26,578)	($69,690)	($89,508)
1835-5	Overhead Conductors and Devices - Secondary	($1,553,702)	($932,221)	($621,481)	($1,553,702)	($475,924)	($142,769)	($294,691)	($11,715)	($4,194)	$0
1840	Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1840-3	Underground Conduit - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1840-4	Underground Conduit - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1840-5	Underground Conduit - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1845	Underground Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1845-3	Underground Conductors and Devices - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1845-4	Underground Conductors and Devices - Primary	($1,657,629)	($994,577)	($663,052)	($1,657,629)	($434,628)	($130,467)	($273,275)	($21,965)	($57,595)	($73,973)
1845-5	Underground Conductors and Devices - Secondary	($2,460,704)	($1,476,422)	($984,281)	($2,460,704)	($753,754)	($226,113)	($466,722)	($18,553)	($6,643)	$0
1850	Line Transformers	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1855	Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1860	Meters	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Sub - Total	**($7,677,787)**	**($4,606,672)**	**($3,071,115)**	**($7,677,787)**	**($2,190,211)**	**($657,215)**	**($1,365,355)**	**($78,811)**	**($138,122)**	**($163,481)**
General Plant												
1905	Land	$0										
1906	Land Rights	$0										
1908	Buildings and Fixtures	$0										
1910	Leasehold Improvements	$0										
1915	Office Furniture and Equipment	$0										
1920	Computer Equipment - Hardware	$0										
1925	Computer Software	$0										
1930	Transportation Equipment	$0										
1935	Stores Equipment	$0										
1940	Tools, Shop and Garage Equipment	$0										
1945	Measurement and Testing Equipment	$0										
1950	Power Operated Equipment	$0										
1955	Communication Equipment	$0										
1960	Miscellaneous Equipment	$0										
1970	Load Management Controls - Customer Premises	$0										
1975	Load Management Controls - Utility Premises	$0										
1980	System Supervisory Equipment	$0										
1990	Other Tangible Property	$0										
2005	Property Under Capital Leases	$0										
2010	Electric Plant Purchased or Sold	$0										
	Sub - Total	$0										
	TOTAL - 1995	**($7,677,787)**	**($4,606,672)**	**($3,071,115)**	**($7,677,787)**	**($2,190,211)**	**($657,215)**	**($1,365,355)**	**($78,811)**	**($138,122)**	**($163,481)**

Accumulated Depreciation - 2105 Capital Contribution

						Demand Allocation					
						1	2	3	4	5	6
Account	Description	Accumulated Depreciation	Demand	Customer	Total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)
1565	Conservation and Demand Management	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1805	Land	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1805-1	Land Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1805-2	Land Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1806	Land Rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1806-1	Land Rights Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1806-2	Land Rights Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1808	Buildings and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1808-1	Buildings and Fixtures > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1808-2	Buildings and Fixtures < 50 KV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1810	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1810-1	Leasehold Improvements >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1810-2	Leasehold Improvements <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1815	Transformer Station Equipment - Normally Primary above 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

	A	B	C	D	E	F	G	H	I	J	K	L
102	1820	Distribution Station Equipment - Normally Primary below 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
103	1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
104	1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
105	1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
106	1825	Storage Battery Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
107	1825-1	Storage Battery Equipment > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
108	1825-2	Storage Battery Equipment <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
109	1830	Poles, Towers and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
110	1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
111	1830-4	Poles, Towers and Fixtures - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
112	1830-5	Poles, Towers and Fixtures - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
113	1835	Overhead Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
114	1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
115	1835-4	Overhead Conductors and Devices - Primary	$268,334	$161,001	$107,334	$268,334	$70,357	$21,120	$44,237	$3,556	$9,323	$11,975
116	1835-5	Overhead Conductors and Devices - Secondary	$207,858	$124,715	$83,143	$207,858	$63,670	$19,100	$39,424	$1,567	$561	$0
117	1840	Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
118	1840-3	Underground Conduit - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
119	1840-4	Underground Conduit - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
120	1840-5	Underground Conduit - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
121	1845	Underground Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
122	1845-3	Underground Conductors and Devices - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
123	1845-4	Underground Conductors and Devices - Primary	$191,667	$115,000	$76,667	$191,667	$50,255	$15,086	$31,598	$2,540	$6,660	$8,553
124	1845-5	Underground Conductors and Devices - Secondary	$284,525	$170,715	$113,810	$284,525	$87,155	$26,145	$53,966	$2,145	$768	$0
125	1850	Line Transformers	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
126	1855	Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
127	1860	Meters	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
128		**Sub - Total**	**$952,384**	**$571,430**	**$380,954**	**$952,384**	**$271,437**	**$81,450**	**$169,226**	**$9,808**	**$17,312**	**$20,528**
129	**General Plant**											
130	1905	Land	$0									
131	1906	Land Rights	$0									
132	1908	Buildings and Fixtures	$0									
133	1910	Leasehold Improvements	$0									
134	1915	Office Furniture and Equipment	$0									
135	1920	Computer Equipment - Hardware	$0									
136	1925	Computer Software	$0									
137	1930	Transportation Equipment	$0									
138	1935	Stores Equipment	$0									
139	1940	Tools, Shop and Garage Equipment	$0									
140	1945	Measurement and Testing Equipment	$0									
141	1950	Power Operated Equipment	$0									
142	1955	Communication Equipment	$0									
143	1960	Miscellaneous Equipment	$0									
144	1970	Load Management Controls - Customer Premises	$0									
145	1975	Load Management Controls - Utility Premises	$0									
146	1980	System Supervisory Equipment	$0									
147	1990	Other Tangible Property	$0									
148	2005	Property Under Capital Leases	$0									
149	2010	Electric Plant Purchased or Sold	$0									
150		**Sub - Total**	**$0**									
151												
152		**TOTAL - 2105 CC**	$952,384	$571,430	$380,954	$952,384	$271,437	$81,450	$169,226	$9,808	$17,312	$20,528
153												

Accumulated Depreciation - 2105 Fixed Assets Only

							Demand Allocation					
							1	2	3	4	5	6
157	**Account**	**Description**	**Accumulated Depreciation**	**Demand**	**Customer**	**Total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**
158	1565	Conservation and Demand Management	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
159	1805	Land	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
160	1805-1	Land Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
161	1805-2	Land Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
162	1806	Land Rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
163	1806-1	Land Rights Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
164	1806-2	Land Rights Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
165	1808	Buildings and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
166	1808-1	Buildings and Fixtures > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
167	1808-2	Buildings and Fixtures < 50 kV	($250,878)	($250,878)	$0	($250,878)	($122,783)	($27,609)	($64,567)	($5,383)	($12,960)	($15,479)
168	1810	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
169	1810-1	Leasehold Improvements >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
170	1810-2	Leasehold Improvements <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
171	1815	Transformer Station Equipment - Normally Primary above 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
172	1820	Distribution Station Equipment - Normally Primary below 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
173	1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
174	1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	($5,781,833)	($5,781,833)	$0	($5,781,833)	($2,526,648)	($758,450)	($1,588,647)	($127,691)	($334,818)	($430,031)
175	1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
176	1825	Storage Battery Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
177	1825-1	Storage Battery Equipment > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
178	1825-2	Storage Battery Equipment <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
179	1830	Poles, Towers and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
180	1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
181	1830-4	Poles, Towers and Fixtures - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
182	1830-5	Poles, Towers and Fixtures - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
183	1835	Overhead Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
184	1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
185	1835-4	Overhead Conductors and Devices - Primary	($9,269,140)	($5,561,484)	($3,707,656)	($9,269,140)	($2,430,356)	($729,545)	($1,528,103)	($122,825)	($322,058)	($413,643)
186	1835-5	Overhead Conductors and Devices - Secondary	($7,180,088)	($4,308,053)	($2,872,035)	($7,180,088)	($2,199,378)	($659,774)	($1,361,848)	($54,137)	($19,383)	$0
187	1840	Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
188	1840-3	Underground Conduit - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
189	1840-4	Underground Conduit - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
190	1840-5	Underground Conduit - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
191	1845	Underground Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
192	1845-3	Underground Conductors and Devices - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
193	1845-4	Underground Conductors and Devices - Primary	($6,388,183)	($3,832,910)	($2,555,273)	($6,388,183)	($1,674,973)	($502,794)	($1,053,151)	($84,649)	($221,958)	($285,078)
194	1845-5	Underground Conductors and Devices - Secondary	($9,483,079)	($5,689,848)	($3,793,232)	($9,483,079)	($2,904,821)	($871,395)	($1,798,657)	($71,501)	($25,[illegible])	$0
195	1850	Line Transformers	($10,725,318)	($6,435,191)	($4,290,127)	($10,725,318)	($3,276,560)	($983,499)	($2,045,443)	($80,651)	($28,876)	$0
196	1855	Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
197	1860	Meters	($3,925,291)	$0	($3,925,291)	($3,925,291)	$0	$0	$0	$0	$0	$0
198		**Sub - Total**	**($53,003,810)**	**($31,860,196)**	**($21,143,614)**	**($53,003,810)**	**($15,135,519)**	**($4,533,066)**	**($9,440,416)**	**($546,837)**	**($965,652)**	**($1,144,231)**

General Plant												
1905	Land	$0										
1906	Land Rights	$0										
1908	Buildings and Fixtures	$0										
1910	Leasehold Improvements	$12,727										
1915	Office Furniture and Equipment	($527,637)										
1920	Computer Equipment - Hardware	($1,538,813)										
1925	Computer Software	($45,692)										
1930	Transportation Equipment	($2,897,809)										
1935	Stores Equipment	($22,720)										
1940	Tools, Shop and Garage Equipment	($487,251)										
1945	Measurement and Testing Equipment	($114,953)										
1950	Power Operated Equipment	$0										
1955	Communication Equipment	($182,445)										
1960	Miscellaneous Equipment	$0										
1970	Load Management Controls - Customer Premises	($99,351)										
1975	Load Management Controls - Utility Premises	($568,465)										
1980	System Supervisory Equipment	($231,516)										
1990	Other Tangible Property	$0										
2005	Property Under Capital Leases	$0										
2010	Electric Plant Purchased or Sold	$0										
	Sub - Total	**($6,703,925)**										
	TOTAL - 2105 FA	($59,707,735)	($31,860,196)	($21,143,614)	($53,003,810)	($15,135,519)	($4,533,066)	($9,440,416)	($546,837)	($965,652)	($1,144,231)	

Accumulated Depreciation - 2120

Account	Description	Accumulated Depreciation	Demand	Customer	Total	Demand Allocation 1 Residential (R1)	2 GS <50 (C1)	3 GS>50 kW < 200 kW (I1)	4 GS>200 kW < 1000 kW (I4)	5 GS>1000 kW < 5000 kW (I2 - Intermediate)	6 Large Use >5MW (I3)
1565	Conservation and Demand Management	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1805	Land	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1805-1	Land Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1805-2	Land Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1806	Land Rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1806-1	Land Rights Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1806-2	Land Rights Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1808	Buildings and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1808-1	Buildings and Fixtures > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1808-2	Buildings and Fixtures < 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1810	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1810-1	Leasehold Improvements >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1810-2	Leasehold Improvements <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1815	Transformer Station Equipment - Normally Primary above 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1820	Distribution Station Equipment - Normally Primary below 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1825	Storage Battery Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1825-1	Storage Battery Equipment > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1825-2	Storage Battery Equipment <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1830	Poles, Towers and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1830-4	Poles, Towers and Fixtures - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1830-5	Poles, Towers and Fixtures - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1835	Overhead Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1835-4	Overhead Conductors and Devices - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1835-5	Overhead Conductors and Devices - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1840	Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1840-3	Underground Conduit - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1840-4	Underground Conduit - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1840-5	Underground Conduit - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1845	Underground Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1845-3	Underground Conductors and Devices - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1845-4	Underground Conductors and Devices - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1845-5	Underground Conductors and Devices - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1850	Line Transformers	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1855	Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1860	Meters	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Sub - Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
General Plant											
1905	Land	$0									
1906	Land Rights	$0									
1908	Buildings and Fixtures	$0									
1910	Leasehold Improvements	$0									
1915	Office Furniture and Equipment	$0									
1920	Computer Equipment - Hardware	$0									
1925	Computer Software	$0									
1930	Transportation Equipment	$0									
1935	Stores Equipment	$0									
1940	Tools, Shop and Garage Equipment	$0									
1945	Measurement and Testing Equipment	$0									
1950	Power Operated Equipment	$0									
1955	Communication Equipment	$0									
1960	Miscellaneous Equipment	$0									
1970	Load Management Controls - Customer Premises	$0									
1975	Load Management Controls - Utility Premises	$0									
1980	System Supervisory Equipment	$0									
1990	Other Tangible Property	$0									
2005	Property Under Capital Leases	$0									
2010	Electric Plant Purchased or Sold	$0									
	Sub - Total	**$0**				**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	TOTAL - 2120	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Categorization and Allocation of Amortization Expense - Property, Plant and Equipment - 5705

Account	Description	Depreciation	Demand	Customer	Total	Demand Allocation 1 Residential (R1)	2 GS <50 (C1)	3 GS>50 kW < 200 kW (I1)	4 GS>200 kW < 1000 kW (I4)	5 GS>1000 kW < 5000 kW (I2 - Intermediate)	6 Large Use >5MW (I3)
1565	Conservation and Demand Management	$32,000	$0	$32,000	$32,000	$0	$0	$0	$0	$0	$0

	A	B	C	D	E	F	G	H	I	J	K	L
302	1805	Land	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
303	1805-1	Land Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
304	1805-2	Land Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
305	1806	Land Rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
306	1806-1	Land Rights Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
307	1806-2	Land Rights Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
308	1808	Buildings and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
309	1808-1	Buildings and Fixtures > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
310	1808-2	Buildings and Fixtures < 50 kV	$8,343	$8,343	$0	$8,343	$4,083	$918	$2,147	$179	$431	$515
311	1810	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
312	1810-1	Leasehold Improvements >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
313	1810-2	Leasehold Improvements <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
314	1815	Transformer Station Equipment - Normally Primary above 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
315	1820	Distribution Station Equipment - Normally Primary below 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
316	1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
317	1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	$267,907	$267,907	$0	$267,907	$117,075	$35,144	$73,612	$5,917	$15,514	$19,926
318	1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
319	1825	Storage Battery Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
320	1825-1	Storage Battery Equipment > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
321	1825-2	Storage Battery Equipment <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
322	1830	Poles, Towers and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
323	1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
324	1830-4	Poles, Towers and Fixtures - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
325	1830-5	Poles, Towers and Fixtures - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
326	1835	Overhead Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
327	1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
328	1835-4	Overhead Conductors and Devices - Primary	$559,405	$335,643	$223,762	$559,405	$146,675	$44,029	$92,223	$7,413	$19,437	$24,964
329	1835-5	Overhead Conductors and Devices - Secondary	$433,328	$259,997	$173,331	$433,328	$132,735	$39,818	$82,189	$3,267	$1,170	$0
330	1840	Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
331	1840-3	Underground Conduit - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
332	1840-4	Underground Conduit - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
333	1840-5	Underground Conduit - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
334	1845	Underground Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
335	1845-3	Underground Conductors and Devices - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
336	1845-4	Underground Conductors and Devices - Primary	$422,610	$253,566	$169,044	$422,610	$110,808	$33,262	$69,671	$5,600	$14,684	$18,859
337	1845-5	Underground Conductors and Devices - Secondary	$627,352	$376,411	$250,941	$627,352	$192,168	$57,647	$118,990	$4,730	$1,694	$0
338	1850	Line Transformers	$414,245	$248,547	$165,698	$414,245	$126,551	$37,986	$79,001	$3,115	$1,115	$0
339	1855	Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
340	1860	Meters	$227,330	$0	$227,330	$227,330	$0	$0	$0	$0	$0	$0
341		**Sub - Total**	**$2,992,520**	**$1,750,414**	**$1,242,106**	**$2,992,520**	**$830,095**	**$248,804**	**$517,834**	**$30,221**	**$54,044**	**$64,264**
342												
343	**General Plant**											
344	1905	Land	$0									
345	1906	Land Rights	$0									
346	1908	Buildings and Fixtures	$0									
347	1910	Leasehold Improvements	$12,669									
348	1915	Office Furniture and Equipment	$25,051									
349	1920	Computer Equipment - Hardware	$73,047									
350	1925	Computer Software	$27,520									
351	1930	Transportation Equipment	$201,368									
352	1935	Stores Equipment	$0									
353	1940	Tools, Shop and Garage Equipment	$12,616									
354	1945	Measurement and Testing Equipment	$19,924									
355	1950	Power Operated Equipment	$0									
356	1955	Communication Equipment	$6,968									
357	1960	Miscellaneous Equipment	$23									
358	1970	Load Management Controls - Customer Premises	$4,862									
359	1975	Load Management Controls - Utility Premises	$7,143									
360	1980	System Supervisory Equipment	$0									
361	1990	Other Tangible Property	$0									
362	2005	Property Under Capital Leases	$0									
363	2010	Electric Plant Purchased or Sold	$0									
364		**Sub - Total**	**$391,191**				$0	$0	$0	$0	$0	$0
365												
366		**TOTAL - 5705**	$3,383,711	$1,750,414	$1,242,106	$2,992,520	$830,095	$248,804	$517,834	$30,221	$54,044	$64,264
367												

Categorization and Allocation of Amortization of Limited Term Electric Plant - 5710

							Demand Allocation 1	2	3	4	5	6
373	**Account**	**Description**	**Depreciation**	**Demand**	**Customer**	**Total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**
374	1565	Conservation and Demand Management	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
375	1805	Land	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
376	1805-1	Land Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
377	1805-2	Land Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
378	1806	Land Rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
379	1806-1	Land Rights Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
380	1806-2	Land Rights Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
381	1808	Buildings and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
382	1808-1	Buildings and Fixtures > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
383	1808-2	Buildings and Fixtures < 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
384	1810	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
385	1810-1	Leasehold Improvements >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
386	1810-2	Leasehold Improvements <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
387	1815	Transformer Station Equipment - Normally Primary above 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
388	1820	Distribution Station Equipment - Normally Primary below 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
389	1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
390	1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
391	1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
392	1825	Storage Battery Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
393	1825-1	Storage Battery Equipment > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
394	1825-2	Storage Battery Equipment <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
395	1830	Poles, Towers and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
396	1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
397	1830-4	Poles, Towers and Fixtures - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
398	1830-5	Poles, Towers and Fixtures - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
399	1835	Overhead Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
400	1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
401	1835-4	Overhead Conductors and Devices - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

	A	B	C	D	E	F	G	H	I	J	K	L
402	1835-5	Overhead Conductors and Devices - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
403	1840	Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
404	1840-3	Underground Conduit - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
405	1840-4	Underground Conduit - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
406	1840-5	Underground Conduit - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
407	1845	Underground Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
408	1845-3	Underground Conductors and Devices - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
409	1845-4	Underground Conductors and Devices - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
410	1845-5	Underground Conductors and Devices - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
411	1850	Line Transformers	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
412	1855	Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
413	1860	Meters	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
414		**Sub - Total**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
415	**General Plant**											
416	1905	Land	$0									
417	1906	Land Rights	$0									
418	1908	Buildings and Fixtures	$0									
419	1910	Leasehold Improvements	$0									
420	1915	Office Furniture and Equipment	$0									
421	1920	Computer Equipment - Hardware	$0									
422	1925	Computer Software	$0									
423	1930	Transportation Equipment	$0									
424	1935	Stores Equipment	$0									
425	1940	Tools, Shop and Garage Equipment	$0									
426	1945	Measurement and Testing Equipment	$0									
427	1950	Power Operated Equipment	$0									
428	1955	Communication Equipment	$0									
429	1960	Miscellaneous Equipment	$0									
430	1970	Load Management Controls - Customer Premises	$0									
431	1975	Load Management Controls - Utility Premises	$0									
432	1980	System Supervisory Equipment	$0									
433	1990	Other Tangible Property	$0									
434	2005	Property Under Capital Leases	$0									
435	2010	Electric Plant Purchased or Sold	$0									
436		**Sub - Total**	**$0**				$0	$0	$0	$0	$0	$0
437												
438		**TOTAL - 5710**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
439												
440												

Categorization and Allocation of Accumulated Amortization of Electric Utility Plant - Intangibles - 5715

							Demand Allocation 1	2	3	4	5	6
446	**Account**	**Description**	**Depreciation**	**Demand**	**Customer**	**Total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**
447	1565	Conservation and Demand Management	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
448	1805	Land	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
449	1805-1	Land Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
450	1805-2	Land Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
451	1806	Land Rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
452	1806-1	Land Rights Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
453	1806-2	Land Rights Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
454	1808	Buildings and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
455	1808-1	Buildings and Fixtures > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
456	1808-2	Buildings and Fixtures < 50 KV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
457	1810	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
458	1810-1	Leasehold Improvements >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
459	1810-2	Leasehold Improvements <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
460	1815	Transformer Station Equipment - Normally Primary above 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
461	1820	Distribution Station Equipment - Normally Primary below 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
462	1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
463	1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
464	1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
465	1825	Storage Battery Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
466	1825-1	Storage Battery Equipment > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
467	1825-2	Storage Battery Equipment <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
468	1830	Poles, Towers and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
469	1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
470	1830-4	Poles, Towers and Fixtures - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
471	1830-5	Poles, Towers and Fixtures - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
472	1835	Overhead Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
473	1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
474	1835-4	Overhead Conductors and Devices - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
475	1835-5	Overhead Conductors and Devices - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
476	1840	Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
477	1840-3	Underground Conduit - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
478	1840-4	Underground Conduit - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
479	1840-5	Underground Conduit - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
480	1845	Underground Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
481	1845-3	Underground Conductors and Devices - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
482	1845-4	Underground Conductors and Devices - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
483	1845-5	Underground Conductors and Devices - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
484	1850	Line Transformers	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
485	1855	Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
486	1860	Meters	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
487		**Sub - Total**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
488	**General Plant**											
489	1905	Land	$0									
490	1906	Land Rights	$0									
491	1908	Buildings and Fixtures	$0									
492	1910	Leasehold Improvements	$0									
493	1915	Office Furniture and Equipment	$0									
494	1920	Computer Equipment - Hardware	$0									
495	1925	Computer Software	$0									
496	1930	Transportation Equipment	$0									
497	1935	Stores Equipment	$0									
498	1940	Tools, Shop and Garage Equipment	$0									
499	1945	Measurement and Testing Equipment	$0									
500	1950	Power Operated Equipment	$0									
501	1955	Communication Equipment	$0									
502	1960	Miscellaneous Equipment	$0									
503	1970	Load Management Controls - Customer Premises	$0									

504	1975	Load Management Controls - Utility Premises	$0									
505	1980	System Supervisory Equipment	$0									
506	1990	Other Tangible Property	$0									
507	2005	Property Under Capital Leases	$0									
508	2010	Electric Plant Purchased or Sold	$0									
509		**Sub - Total**	**$0**				$0	$0	$0	$0	$0	$0
510												
511		**TOTAL - 5715**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
512												
513												

514 **Categorization and Allocation of Accum. Amortization of Electric Utility Plant- Property, Plant & Equipment - 5720**

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							Demand Allocation 1	2	3	4	5	6
519	**Account**	**Description**	**Depreciation**	**Demand**	**Customer**	**Total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**
520	1565	Conservation and Demand Management	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
521	1805	Land	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
522	1805-1	Land Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
523	1805-2	Land Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
524	1806	Land Rights	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
525	1806-1	Land Rights Station >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
526	1806-2	Land Rights Station <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
527	1808	Buildings and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
528	1808-1	Buildings and Fixtures > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
529	1808-2	Buildings and Fixtures < 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
530	1810	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
531	1810-1	Leasehold Improvements >50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
532	1810-2	Leasehold Improvements <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
533	1815	Transformer Station Equipment - Normally Primary above 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
534	1820	Distribution Station Equipment - Normally Primary below 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
535	1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
536	1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
537	1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
538	1825	Storage Battery Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
539	1825-1	Storage Battery Equipment > 50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
540	1825-2	Storage Battery Equipment <50 kV	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
541	1830	Poles, Towers and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
542	1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
543	1830-4	Poles, Towers and Fixtures - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
544	1830-5	Poles, Towers and Fixtures - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
545	1835	Overhead Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
546	1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
547	1835-4	Overhead Conductors and Devices - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
548	1835-5	Overhead Conductors and Devices - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
549	1840	Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
550	1840-3	Underground Conduit - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
551	1840-4	Underground Conduit - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
552	1840-5	Underground Conduit - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
553	1845	Underground Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
554	1845-3	Underground Conductors and Devices - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
555	1845-4	Underground Conductors and Devices - Primary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
556	1845-5	Underground Conductors and Devices - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
557	1850	Line Transformers	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
558	1855	Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
559	1860	Meters	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
560		**Sub - Total**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
561	**General Plant**											
562	1905	Land	$0									
563	1906	Land Rights	$0									
564	1908	Buildings and Fixtures	$0									
565	1910	Leasehold Improvements	$0									
566	1915	Office Furniture and Equipment	$0									
567	1920	Computer Equipment - Hardware	$0									
568	1925	Computer Software	$0									
569	1930	Transportation Equipment	$0									
570	1935	Stores Equipment	$0									
571	1940	Tools, Shop and Garage Equipment	$0									
572	1945	Measurement and Testing Equipment	$0									
573	1950	Power Operated Equipment	$0									
574	1955	Communication Equipment	$0									
575	1960	Miscellaneous Equipment	$0									
576	1970	Load Management Controls - Customer Premises	$0									
577	1975	Load Management Controls - Utility Premises	$0									
578	1980	System Supervisory Equipment	$0									
579	1990	Other Tangible Property	$0									
580	2005	Property Under Capital Leases	$0									
581	2010	Electric Plant Purchased or Sold	$0									
582		**Sub - Total**	**$0**				**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
583												
584		**TOTAL - 5720**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
585												
586							Demand Allocation 1	2	3	4	5	6
587												
588	**Account**	**Description**		**Demand**	**Customer**	**Total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**
589	1565	Conservation and Demand Management	100%	0%	100%	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
590	1805	Land					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
591	1805-1	Land Station >50 kV	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
592	1805-2	Land Station <50 kV	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
593	1806	Land Rights					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
594	1806-1	Land Rights Station >50 kV	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
595	1806-2	Land Rights Station <50 kV	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
596	1808	Buildings and Fixtures					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
597	1808-1	Buildings and Fixtures > 50 kV	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
598	1808-2	Buildings and Fixtures < 50 kV	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
599	1810	Leasehold Improvements					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
600	1810-1	Leasehold Improvements >50 kV	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
601	1810-2	Leasehold Improvements <50 kV	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
602	1815	Transformer Station Equipment - Normally Primary above 50 kV	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
603	1820	Distribution Station Equipment - Normally Primary below 50 kV					48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
604	1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%

	A	B	C	D	E	F	G	H	I	J	K	L
605	1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	100%	100%	0%	100%	43.70%	13.12%	27.48%	2.21%	5.79%	7.44%
606	1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	100%	0%	100%	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
607	1825	Storage Battery Equipment					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
608	1825-1	Storage Battery Equipment > 50 kV	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
609	1825-2	Storage Battery Equipment <50 kV	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
610	1830	Poles, Towers and Fixtures					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
611	1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
612	1830-4	Poles, Towers and Fixtures - Primary	100%	60%	40%	100%	43.70%	13.12%	27.48%	2.21%	5.79%	7.44%
613	1830-5	Poles, Towers and Fixtures - Secondary	100%	60%	40%	100%	51.05%	15.31%	31.61%	1.26%	0.45%	0.00%
614	1835	Overhead Conductors and Devices					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
615	1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
616	1835-4	Overhead Conductors and Devices - Primary	100%	60%	40%	100%	43.70%	13.12%	27.48%	2.21%	5.79%	7.44%
617	1835-5	Overhead Conductors and Devices - Secondary	100%	60%	40%	100%	51.05%	15.31%	31.61%	1.26%	0.45%	0.00%
618	1840	Underground Conduit					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
619	1840-3	Underground Conduit - Bulk Delivery	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
620	1840-4	Underground Conduit - Primary	100%	60%	40%	100%	43.70%	13.12%	27.48%	2.21%	5.79%	7.44%
621	1840-5	Underground Conduit - Secondary	100%	60%	40%	100%	51.05%	15.31%	31.61%	1.26%	0.45%	0.00%
622	1845	Underground Conductors and Devices					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
623	1845-3	Underground Conductors and Devices - Bulk Delivery	100%	100%	0%	100%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
624	1845-4	Underground Conductors and Devices - Primary	100%	60%	40%	100%	43.70%	13.12%	27.48%	2.21%	5.79%	7.44%
625	1845-5	Underground Conductors and Devices - Secondary	100%	60%	40%	100%	51.05%	15.31%	31.61%	1.26%	0.45%	0.00%
626	1850	Line Transformers	100%	60%	40%	100%	50.92%	15.28%	31.79%	1.25%	0.45%	0.00%
627	1855	Services	100%	0%	100%	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
628	1860	Meters	100%	0%	100%	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
629	**General Plant**											
630	1905	Land	100%									
631	1906	Land Rights	100%									
632	1908	Buildings and Fixtures	100%									
633	1910	Leasehold Improvements	100%									
634	1915	Office Furniture and Equipment	100%									
635	1920	Computer Equipment - Hardware	100%									
636	1925	Computer Software	100%									
637	1930	Transportation Equipment	100%									
638	1935	Stores Equipment	100%									
639	1940	Tools, Shop and Garage Equipment	100%									
640	1945	Measurement and Testing Equipment	100%									
641	1950	Power Operated Equipment	100%									
642	1955	Communication Equipment	100%									
643	1960	Miscellaneous Equipment	100%									
644	1970	Load Management Controls - Customer Premises	100%									
645	1975	Load Management Controls - Utility Premises	100%									
646	1980	System Supervisory Equipment	100%									
647	1990	Other Tangible Property	100%									
648	2005	Property Under Capital Leases	100%									
649	2010	Electric Plant Purchased or Sold	100%									
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15					Customer Allocation								
16	7	8	9	Sub -total	1	2	3	4	5	6	7	8	9
17	Street Light	Sentinel	Unmetered Scattered Load (USL)	Total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)
18	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
19	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
20	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
21	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
22	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
23	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
24	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
25	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
26	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
27	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
28	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
29	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
30	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
31	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
32	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
33	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
34	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
35	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
36	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
37	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
38	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
39	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
40	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
41	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
42	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
43	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
44	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
45	$0	$0	($3,236)	($1,203,452)	($603,894)	($48,770)	($6,042)	($982)	($95)	($27)	($137,417)	($1,050)	($4,023)
46	$0	$0	($2,928)	($932,221)	($468,053)	($37,757)	($4,598)	($624)	($11)	$0	($106,506)	($814)	($3,118)
47	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
48	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
49	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
50	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
51	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
52	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
53	$0	$0	($2,674)	($994,577)	($499,081)	($40,305)	($4,993)	($812)	($79)	($23)	($113,567)	($868)	($3,325)
54	$0	$0	($4,638)	($1,476,422)	($741,287)	($59,799)	($7,282)	($988)	($17)	$0	($168,681)	($1,289)	($4,939)
55	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
56	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
57	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
58	**$0**	**$0**	**($13,477)**	**($4,606,672)**	**($2,312,315)**	**($186,631)**	**($22,915)**	**($3,405)**	**($202)**	**($50)**	**($526,172)**	**($4,021)**	**($15,405)**
82	$0	$0	($13,477)	($4,606,672)	($2,312,315)	($186,631)	($22,915)	($3,405)	($202)	($50)	($526,172)	($4,021)	($15,405)

85					Customer Allocation								
86	7	8	9	Sub -total	1	2	3	4	5	6	7	8	9
87	Street Light	Sentinel	Unmetered Scattered Load (USL)	Sub -total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)
88	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
89	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
90	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
91	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
92	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
93	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
94	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
95	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
96	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
97	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
98	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
99	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
100	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
101	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

	M	N	O	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ
102	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
103	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
104	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
105	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
106	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
107	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
108	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
109	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
110	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
111	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
112	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
113	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
114	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
115	$0	$0	$433	$161,001	$80,790	$6,525	$808	$131	$13	$4	$18,384	$140	$538
116	$0	$0	$392	$124,715	$62,617	$5,051	$615	$83	$1	$0	$14,249	$109	$417
117	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
118	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
119	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
120	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
121	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
122	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
123	$0	$0	$309	$115,000	$57,707	$4,660	$577	$94	$9	$3	$13,131	$100	$384
124	$0	$0	$536	$170,715	$85,713	$6,914	$842	$114	$2	$0	$19,504	$149	$571
125	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
126	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
127	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
128	**$0**	**$0**	**$1,670**	**$571,430**	**$286,828**	**$23,150**	**$2,843**	**$423**	**$25**	**$6**	**$65,268**	**$499**	**$1,911**
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152	$0	$0	$1,670	$571,430	$286,828	$23,150	$2,843	$423	$25	$6	$65,268	$499	$1,911
153													
154													

	7	8	9	Sub -total	Customer Allocation 1	2	3	4	5	6	7	8	9
155													
156													
157	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**	**Sub -total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**
158	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
159	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
160	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
161	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
162	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
163	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
164	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
165	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
166	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
167	($1,583)	($7)	($507)	($250,878)	$0	$0	$0	$0	$0	$0	$0	$0	$0
168	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
169	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
170	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
171	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
172	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
173	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
174	$0	$0	($15,547)	($5,781,833)	$0	$0	$0	$0	$0	$0	$0	$0	$0
175	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
176	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
177	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
178	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
179	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
180	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
181	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
182	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
183	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
184	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
185	$0	$0	($14,955)	($5,561,484)	($2,790,763)	($225,379)	($27,920)	($4,538)	($441)	($126)	($635,044)	($4,853)	($18,592)
186	$0	$0	($13,533)	($4,308,053)	($2,163,002)	($174,486)	($21,249)	($2,882)	($49)	$0	($492,195)	($3,761)	($14,410)
187	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
188	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
189	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
190	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
191	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
192	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
193	$0	$0	($10,307)	($3,832,910)	($1,923,361)	($155,328)	($19,242)	($3,127)	($304)	($87)	($437,665)	($3,345)	($12,814)
194	$0	$0	($17,874)	($5,689,848)	($2,856,779)	($230,452)	($28,065)	($3,806)	($65)	$0	($650,066)	($4,928)	($19,032)
195	$0	$0	($20,161)	($6,435,191)	($3,230,783)	($260,768)	($31,885)	($4,305)	($73)	$0	($735,171)	($5,618)	($21,524)
196	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
197	$0	$0	$0	$0	($2,066,562)	($790,733)	($791,804)	($143,916)	($61,729)	($70,547)	$0	$0	$0
198	**($1,583)**	**($7)**	**($92,884)**	**($31,860,196)**	**($15,031,250)**	**($1,837,146)**	**($920,165)**	**($162,575)**	**($62,660)**	**($70,760)**	**($2,950,140)**	**($22,545)**	**($86,373)**

M	N	O	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ
($1,583)	($7)	($92,884)	($31,860,196)	($15,031,250)	($1,837,146)	($920,165)	($162,575)	($62,660)	($70,760)	($2,950,140)	($22,545)	($86,373)

	7	8	9	Sub -total	Customer Allocation 1	2	3	4	5	6	7	8	9
	Street Light	Sentinel	Unmetered Scattered Load (USL)	Sub -total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

	M	N	O	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ
302	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
303	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
304	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
305	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
306	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
307	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
308	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
309	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
310	$53	$0	$17	$8,343	$0	$0	$0	$0	$0	$0	$0	$0	$0
311	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
312	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
313	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
314	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
315	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
316	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
317	$0	$0	$720	$267,907	$0	$0	$0	$0	$0	$0	$0	$0	$0
318	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
319	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
320	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
321	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
322	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
323	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
324	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
325	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
326	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
327	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
328	$0	$0	$903	$335,643	$168,426	$13,602	$1,685	$274	$27	$8	$38,326	$293	$1,122
329	$0	$0	$817	$259,997	$130,540	$10,530	$1,282	$174	$3	$0	$29,705	$227	$870
330	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
331	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
332	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
333	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
334	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
335	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
336	$0	$0	$682	$253,566	$127,240	$10,276	$1,273	$207	$20	$6	$28,954	$221	$848
337	$0	$0	$1,182	$376,411	$188,990	$15,246	$1,857	$252	$4	$0	$43,005	$329	$1,259
338	$0	$0	$779	$248,547	$124,783	$10,072	$1,231	$166	$3	$0	$28,395	$217	$831
339	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
340	$0	$0	$0	$0	$119,683	$45,795	$45,857	$8,335	$3,575	$4,086	$0	$0	$0
341	**$53**	**$0**	**$5,100**	**$1,750,414**	**$880,341**	**$109,751**	**$57,896**	**$10,035**	**$3,977**	**$4,478**	**$169,326**	**$1,294**	**$5,008**
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364	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
365													
366	$53	$0	$5,100	$1,750,414	$880,341	$109,751	$57,896	$10,035	$3,977	$4,478	$169,326	$1,294	$5,008
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					Customer Allocation								
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372	**7**	**8**	**9**	**Sub -total**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
373	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**	**Sub -total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**
374	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
375	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
376	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
377	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
378	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
379	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
380	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
381	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
382	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
383	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
384	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
385	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
386	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
387	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
388	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
389	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
390	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
391	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
392	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
393	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
394	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
395	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
396	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
397	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
398	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
399	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
400	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
401	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

	M	N	O	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ
402	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
403	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
404	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
405	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
406	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
407	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
408	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
409	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
410	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
411	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
412	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
413	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
414	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
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435													
436	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
437													
438	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
439													
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443													
444					**Customer Allocation**								
445	**7**	**8**	**9**	**Sub -total**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
446	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**	**Sub -total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**
447	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
448	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
449	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
450	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
451	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
452	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
453	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
454	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
455	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
456	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
457	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
458	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
459	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
460	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
461	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
462	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
463	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
464	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
465	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
466	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
467	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
468	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
469	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
470	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
471	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
472	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
473	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
474	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
475	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
476	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
477	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
478	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
479	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
480	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
481	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
482	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
483	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
484	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
485	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
486	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
487	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
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	M	N	O	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ
509	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
511	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

					Customer Allocation								
517	7	8	9	Sub -total	1	2	3	4	5	6	7	8	9
518	Street Light	Sentinel	Unmetered Scattered Load (USL)	Sub -total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)
520	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
521	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
522	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
523	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
524	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
525	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
526	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
527	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
528	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
529	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
530	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
531	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
532	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
533	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
534	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
535	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
536	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
537	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
538	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
539	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
540	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
541	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
542	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
543	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
544	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
545	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
546	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
547	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
548	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
549	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
550	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
551	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
552	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
553	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
554	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
555	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
556	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
557	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
558	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
559	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
560	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
582	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
584	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

					Customer Allocation								
586	7	8	9	Sub -total	1	2	3	4	5	6	7	8	9
588	Street Light	Sentinel	Unmetered Scattered Load (USL)	Sub -total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)
589	0.00%	0.00%	0.00%	0.00%	64.62%	13.22%	14.72%	1.96%	1.08%	1.18%	2.95%	0.02%	0.24%
590	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
591	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
592	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
593	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
594	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
595	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
596	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
597	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
598	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
599	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
600	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
601	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
602	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
603	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
604	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	M	N	O	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ
605	0.00%	0.00%	0.27%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
606	0.00%	0.00%	0.00%	0.00%	42.11%	11.84%	23.37%	3.80%	9.80%	8.16%	0.66%	0.00%	0.25%
607	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
608	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
609	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
610	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
611	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
612	0.00%	0.00%	0.27%	100.00%	75.27%	6.08%	0.75%	0.12%	0.01%	0.00%	17.13%	0.13%	0.50%
613	0.00%	0.00%	0.31%	100.00%	75.31%	6.08%	0.74%	0.10%	0.00%	0.00%	17.14%	0.13%	0.50%
614	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
615	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
616	0.00%	0.00%	0.27%	100.00%	75.27%	6.08%	0.75%	0.12%	0.01%	0.00%	17.13%	0.13%	0.50%
617	0.00%	0.00%	0.31%	100.00%	75.31%	6.08%	0.74%	0.10%	0.00%	0.00%	17.14%	0.13%	0.50%
618	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
619	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
620	0.00%	0.00%	0.27%	100.00%	75.27%	6.08%	0.75%	0.12%	0.01%	0.00%	17.13%	0.13%	0.50%
621	0.00%	0.00%	0.31%	100.00%	75.31%	6.08%	0.74%	0.10%	0.00%	0.00%	17.14%	0.13%	0.50%
622	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
623	0.63%	0.00%	0.20%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
624	0.00%	0.00%	0.27%	100.00%	75.27%	6.08%	0.75%	0.12%	0.01%	0.00%	17.13%	0.13%	0.50%
625	0.00%	0.00%	0.31%	100.00%	75.31%	6.08%	0.74%	0.10%	0.00%	0.00%	17.14%	0.13%	0.50%
626	0.00%	0.00%	0.31%	100.00%	75.31%	6.08%	0.74%	0.10%	0.00%	0.00%	17.14%	0.13%	0.50%
627	0.00%	0.00%	0.00%	0.00%	66.27%	10.69%	6.51%	0.88%	0.01%	0.00%	15.08%	0.12%	0.44%
628	0.00%	0.00%	0.00%	0.00%	52.65%	20.14%	20.17%	3.67%	1.57%	1.80%	0.00%	0.00%	0.00%

	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BQ
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
14											
15		A & G Allocation									
16	Sub -total	1	2	3	4	5	6	7	8	9	Sub -total
17	Sub -total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)	Sub -total
18	$0										
19	$0										
20	$0										
21	$0										
22	$0										
23	$0										
24	$0										
25	$0										
26	$0										
27	$0										
28	$0										
29	$0										
30	$0										
31	$0										
32	$0										
33	$0										
34	$0										
35	$0										
36	$0										
37	$0										
38	$0										
39	$0										
40	$0										
41	$0										
42	$0										
43	$0										
44	$0										
45	($802,301)										
46	($621,481)										
47	$0										
48	$0										
49	$0										
50	$0										
51	$0										
52	$0										
53	($663,052)										
54	($984,281)										
55	$0										
56	$0										
57	$0										
58	**($3,071,115)**										
59											
60		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
61		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
62		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
63		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
64		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
65		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
66		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
67		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
68		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
69		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
70		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
71		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
72		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
73		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
74		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
75		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
76		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
77		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
78		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
79		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
80		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
81											
82	($3,071,115)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
83											
84											
85		A & G Allocation									
86	Sub -total	1	2	3	4	5	6	7	8	9	Sub -total
87	Sub -total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)	Sub -total
88	$0										
89	$0										
90	$0										
91	$0										
92	$0										
93	$0										
94	$0										
95	$0										
96	$0										
97	$0										
98	$0										
99	$0										
100	$0										
101	$0										

	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BQ
102	$0										
103	$0										
104	$0										
105	$0										
106	$0										
107	$0										
108	$0										
109	$0										
110	$0										
111	$0										
112	$0										
113	$0										
114	$0										
115	$107,334										
116	$83,143										
117	$0										
118	$0										
119	$0										
120	$0										
121	$0										
122	$0										
123	$76,667										
124	$113,810										
125	$0										
126	$0										
127	$0										
128	**$380,954**										
129											
130		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
131		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
132		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
133		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
134		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
135		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
136		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
137		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
138		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
139		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
140		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
141		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
142		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
143		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
144		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
145		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
146		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
147		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
148		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
149		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
150		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
151											
152	$380,954	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
153											
154											
155		**A & G Allocation**									
156	**Sub -total**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**Sub -total**
157	**Sub -total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**	**Sub -total**
158	$0										
159	$0										
160	$0										
161	$0										
162	$0										
163	$0										
164	$0										
165	$0										
166	$0										
167	$0										
168	$0										
169	$0										
170	$0										
171	$0										
172	$0										
173	$0										
174	$0										
175	$0										
176	$0										
177	$0										
178	$0										
179	$0										
180	$0										
181	$0										
182	$0										
183	$0										
184	$0										
185	($3,707,656)										
186	($2,872,035)										
187	$0										
188	$0										
189	$0										
190	$0										
191	$0										
192	$0										
193	($2,555,273)										
194	($3,793,232)										
195	($4,290,127)										
196	$0										
197	($3,925,291)										
198	**($21,143,614)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BQ
199											
200		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
201		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
202		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
203		$7,308	$1,509	$2,424	$167	$242	$286	$742	$6	$44	$12,727
204		($302,967)	($62,555)	($100,494)	($6,921)	($10,040)	($11,865)	($30,757)	($235)	($1,804)	($527,637)
205		($883,580)	($182,435)	($293,084)	($20,183)	($29,281)	($34,602)	($89,702)	($685)	($5,260)	($1,538,813)
206		($26,236)	($5,417)	($8,703)	($599)	($869)	($1,027)	($2,664)	($20)	($156)	($45,692)
207		($1,663,910)	($343,553)	($551,919)	($38,008)	($55,141)	($65,161)	($168,921)	($1,290)	($9,905)	($2,897,809)
208		($13,046)	($2,694)	($4,327)	($298)	($432)	($511)	($1,324)	($10)	($78)	($22,720)
209		($279,777)	($57,766)	($92,802)	($6,391)	($9,272)	($10,956)	($28,403)	($217)	($1,666)	($487,251)
210		($66,006)	($13,628)	($21,894)	($1,508)	($2,187)	($2,585)	($6,701)	($51)	($393)	($114,953)
211		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
212		($104,759)	($21,630)	($34,749)	($2,393)	($3,472)	($4,102)	($10,635)	($81)	($624)	($182,445)
213		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
214		($57,047)	($11,779)	($18,922)	($1,303)	($1,890)	($2,234)	($5,791)	($44)	($340)	($99,351)
215		($326,410)	($67,395)	($108,270)	($7,456)	($10,817)	($12,783)	($33,137)	($253)	($1,943)	($568,465)
216		($132,936)	($27,448)	($44,095)	($3,037)	($4,405)	($5,206)	($13,496)	($103)	($791)	($231,516)
217		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
218		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
219		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
220		($3,849,367)	($794,790)	($1,276,836)	($87,930)	($127,565)	($150,746)	($390,791)	($2,985)	($22,915)	($6,703,925)
221											
222	($21,143,614)	($3,849,367)	($794,790)	($1,276,836)	($87,930)	($127,565)	($150,746)	($390,791)	($2,985)	($22,915)	($6,703,925)
223											
224											

		A & G Allocation									
225											
226	Sub -total	1	2	3	4	5	6	7	8	9	Sub -total
227	Sub -total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)	Sub -total
228	$0										
229	$0										
230	$0										
231	$0										
232	$0										
233	$0										
234	$0										
235	$0										
236	$0										
237	$0										
238	$0										
239	$0										
240	$0										
241	$0										
242	$0										
243	$0										
244	$0										
245	$0										
246	$0										
247	$0										
248	$0										
249	$0										
250	$0										
251	$0										
252	$0										
253	$0										
254	$0										
255	$0										
256	$0										
257	$0										
258	$0										
259	$0										
260	$0										
261	$0										
262	$0										
263	$0										
264	$0										
265	$0										
266	$0										
267	$0										
268	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
269											
270		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
271		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
272		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
273		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
274		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
275		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
276		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
277		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
278		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
279		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
280		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
281		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
282		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
283		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
284		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
285		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
286		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
287		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
288		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
289		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
290	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
291											
292	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
293											
294											
295											
296											
297											

		A & G Allocation									
298											
299	Sub -total	1	2	3	4	5	6	7	8	9	Sub -total
300	Sub -total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)	Sub -total
301	$32,000										

	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BQ
302	$0										
303	$0										
304	$0										
305	$0										
306	$0										
307	$0										
308	$0										
309	$0										
310	$0										
311	$0										
312	$0										
313	$0										
314	$0										
315	$0										
316	$0										
317	$0										
318	$0										
319	$0										
320	$0										
321	$0										
322	$0										
323	$0										
324	$0										
325	$0										
326	$0										
327	$0										
328	$223,762										
329	$173,331										
330	$0										
331	$0										
332	$0										
333	$0										
334	$0										
335	$0										
336	$169,044										
337	$250,941										
338	$165,698										
339	$0										
340	$227,330										
341	**$1,242,106**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
342											
343											
344		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
345		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
346		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
347		$7,274	$1,502	$2,413	$166	$241	$285	$739	$6	$43	$12,669
348		$14,384	$2,970	$4,771	$329	$477	$563	$1,460	$11	$86	$25,051
349		$41,943	$8,660	$13,913	$958	$1,390	$1,643	$4,258	$33	$250	$73,047
350		$15,802	$3,263	$5,241	$361	$524	$619	$1,604	$12	$94	$27,520
351		$115,625	$23,873	$38,353	$2,641	$3,832	$4,528	$11,738	$90	$688	$201,368
352		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
353		$7,244	$1,496	$2,403	$165	$240	$284	$735	$6	$43	$12,616
354		$11,440	$2,362	$3,795	$261	$379	$448	$1,161	$9	$68	$19,924
355		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
356		$4,001	$826	$1,327	$91	$133	$157	$406	$3	$24	$6,968
357		$13	$3	$4	$0	$0	$1	$1	$0	$0	$23
358		$2,792	$576	$926	$64	$93	$109	$283	$2	$17	$4,862
359		$4,101	$847	$1,360	$94	$136	$161	$416	$3	$24	$7,143
360		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
361		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
362		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
363		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
364	$0	$224,620	$46,378	$74,507	$5,131	$7,444	$8,796	$22,804	$174	$1,337	$391,191
365											
366	$1,242,106	$224,620	$46,378	$74,507	$5,131	$7,444	$8,796	$22,804	$174	$1,337	$391,191
367											
368											
369											
370											
371		**A & G Allocation**									
372	**Sub -total**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**Sub -total**
373	**Sub -total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**	**Sub -total**
374	$0										
375	$0										
376	$0										
377	$0										
378	$0										
379	$0										
380	$0										
381	$0										
382	$0										
383	$0										
384	$0										
385	$0										
386	$0										
387	$0										
388	$0										
389	$0										
390	$0										
391	$0										
392	$0										
393	$0										
394	$0										
395	$0										
396	$0										
397	$0										
398	$0										
399	$0										
400	$0										
401	$0										

	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BQ
402	$0										
403	$0										
404	$0										
405	$0										
406	$0										
407	$0										
408	$0										
409	$0										
410	$0										
411	$0										
412	$0										
413	$0										
414	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
415											
416		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
417		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
418		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
419		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
420		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
421		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
422		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
423		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
424		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
425		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
426		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
427		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
428		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
429		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
430		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
431		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
432		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
433		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
434		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
435		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
436	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
437											
438	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
439											
440											
441											
442											
443											
444		**A & G Allocation**									
445	**Sub -total**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**Sub -total**
446	**Sub -total**	**Residential (R1)**	**GS <50 (C1)**	**GS>50 kW < 200 kW (I1)**	**GS>200 kW < 1000 kW (I4)**	**GS>1000 kW < 5000 kW (I2 - Intermediate)**	**Large Use >5MW (I3)**	**Street Light**	**Sentinel**	**Unmetered Scattered Load (USL)**	**Sub -total**
447	$0										
448	$0										
449	$0										
450	$0										
451	$0										
452	$0										
453	$0										
454	$0										
455	$0										
456	$0										
457	$0										
458	$0										
459	$0										
460	$0										
461	$0										
462	$0										
463	$0										
464	$0										
465	$0										
466	$0										
467	$0										
468	$0										
469	$0										
470	$0										
471	$0										
472	$0										
473	$0										
474	$0										
475	$0										
476	$0										
477	$0										
478	$0										
479	$0										
480	$0										
481	$0										
482	$0										
483	$0										
484	$0										
485	$0										
486	$0										
487	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
488											
489		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
490		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
491		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
492		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
493		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
494		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
495		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
496		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
497		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
498		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
499		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
500		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
501		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
502		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
503		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BQ
504		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
505		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
506		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
507		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
508		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
509	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
510											
511	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
512											
513											
514											
515											
516											
517		A & G Allocation									
518	Sub -total	1	2	3	4	5	6	7	8	9	Sub -total
519	Sub -total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)	Sub -total
520	$0										
521	$0										
522	$0										
523	$0										
524	$0										
525	$0										
526	$0										
527	$0										
528	$0										
529	$0										
530	$0										
531	$0										
532	$0										
533	$0										
534	$0										
535	$0										
536	$0										
537	$0										
538	$0										
539	$0										
540	$0										
541	$0										
542	$0										
543	$0										
544	$0										
545	$0										
546	$0										
547	$0										
548	$0										
549	$0										
550	$0										
551	$0										
552	$0										
553	$0										
554	$0										
555	$0										
556	$0										
557	$0										
558	$0										
559	$0										
560	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
561											
562		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
563		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
564		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
565		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
566		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
567		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
568		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
569		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
570		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
571		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
572		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
573		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
574		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
575		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
576		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
577		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
578		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
579		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
580		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
581		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
582	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
583											
584	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
585											
586		A & G Allocation									
587	Sub -total	1	2	3	4	5	6	7	8	9	Sub -total
588	Sub -total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)	Sub -total
589	100.00%										
590	0.00%										
591	0.00%										
592	0.00%										
593	0.00%										
594	0.00%										
595	0.00%										
596	0.00%										
597	0.00%										
598	0.00%										
599	0.00%										
600	0.00%										
601	0.00%										
602	0.00%										
603	0.00%										
604	0.00%										

	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BQ
605	0.00%										
606	100.00%										
607	0.00%										
608	0.00%										
609	0.00%										
610	0.00%										
611	0.00%										
612	100.00%										
613	100.00%										
614	0.00%										
615	0.00%										
616	100.00%										
617	100.00%										
618	0.00%										
619	0.00%										
620	100.00%										
621	100.00%										
622	0.00%										
623	0.00%										
624	100.00%										
625	100.00%										
626	100.00%										
627	100.00%										
628	100.00%										
629											
630		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
631		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
632		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
633		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
634		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
635		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
636		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
637		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
638		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
639		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
640		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
641		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
642		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
643		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
644		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
645		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
646		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
647		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
648		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
649		57%	12%	19%	1%	2%	2%	6%	0%	0%	100%
650											
651											
652											
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665											
666											
667											
668											
669											

USoA A/C #	Accounts	Categorization		
		Demand	Customer	Customer Component
	Distribution Plant			
1805	Land	DCP		0%
1805-1	Land Station >50 kV	TCP		0%
1805-2	Land Station <50 kV	DCP		0%
1806	Land Rights	DCP		0%
1806-1	Land Rights Station >50 kV	TCP		0%
1806-2	Land Rights Station <50 kV	DCP		0%
1808	Buildings and Fixtures	DCP		0%
1808-1	Buildings and Fixtures > 50 kV	TCP		0%
1808-2	Buildings and Fixtures < 50 KV	DCP		0%
1810	Leasehold Improvements	DCP		0%
1810-1	Leasehold Improvements >50 kV	TCP		0%
1810-2	Leasehold Improvements <50 kV	DCP		0%
1815	Transformer Station Equipment - Normally Primary above 50 kV	TCP		0%
1820	Distribution Station Equipment - Normally Primary below 50 kV	DCP		0%
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	DCP		0%
1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	PNCP		0%
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)		CEN	100%
1825	Storage Battery Equipment	DCP		0%
1825-1	Storage Battery Equipment > 50 kV	TCP		0%
1825-2	Storage Battery Equipment <50 kV	DCP		0%
1830	Poles, Towers and Fixtures	DNCP	CCA	40%
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	BCP		0%
1830-4	Poles, Towers and Fixtures - Primary	PNCP	CCP	40%
1830-5	Poles, Towers and Fixtures - Secondary	SNCP	CCS	40%
1835	Overhead Conductors and Devices	DNCP	CCA	40%
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	BCP		0%
1835-4	Overhead Conductors and Devices - Primary	PNCP	CCP	40%
1835-5	Overhead Conductors and Devices - Secondary	SNCP	CCS	40%
1840	Underground Conduit	DNCP	CCA	40%
1840-3	Underground Conduit - Bulk Delivery	BCP		0%
1840-4	Underground Conduit - Primary	PNCP	CCP	40%
1840-5	Underground Conduit - Secondary	SNCP	CCS	40%
1845	Underground Conductors and Devices	DNCP	CCA	40%
1845-3	Underground Conductors and Devices - Bulk Delivery	BCP		0%
1845-4	Underground Conductors and Devices - Primary	PNCP	CCP	40%
1845-5	Underground Conductors and Devices - Secondary	SNCP	CCS	40%
1850	Line Transformers	LTNCP	CCLT	40%
1855	Services		CWCS	100%
1860	Meters		CWMC	100%
1565	Conservation and Demand Management Expenditures and Recoveries		CDMPP	100%
	Accumulated Amortization			

2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	See I4 BO Assets		
	Operation			
5005	Operation Supervision and Engineering	1815-1855 D	1815-1855 C	40%
5010	Load Dispatching	1815-1855 D	1815-1855 C	40%
5012	Station Buildings and Fixtures Expense	1808 D		0%
5014	Transformer Station Equipment - Operation Labour	1815 D		0%
5015	Transformer Station Equipment - Operation Supplies and Expenses	1815 D		0%
5016	Distribution Station Equipment - Operation Labour	1820 D		0%
5017	Distribution Station Equipment - Operation Supplies and Expenses	1820 D		0%
5020	Overhead Distribution Lines and Feeders - Operation Labour	1830 & 1835 D	1830 & 1835 C	40%
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	1830 & 1835 D	1830 & 1835 C	40%
5030	Overhead Subtransmission Feeders - Operation	1830 & 1835 D		0%
5035	Overhead Distribution Transformers- Operation	1850 D	1850 C	40%
5040	Underground Distribution Lines and Feeders - Operation Labour	1840 & 1845 D	1840 & 1845 C	40%
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	1840 & 1845 D	1840 & 1845 C	40%
5050	Underground Subtransmission Feeders - Operation	1840 & 1845 D		0%
5055	Underground Distribution Transformers - Operation	1850 D	1850 C	40%
5065	Meter Expense		CWMC	100%
5070	Customer Premises - Operation Labour		CCA	100%
5075	Customer Premises - Materials and Expenses		CCA	100%
5085	Miscellaneous Distribution Expense	1815-1855 D	1815-1855 C	40%
5090	Underground Distribution Lines and Feeders - Rental Paid	1840 & 1845 D	1840 & 1845 C	40%
5095	Overhead Distribution Lines and Feeders - Rental Paid	1830 & 1835 D	1830 & 1835 C	40%
	Maintenance			
5105	Maintenance Supervision and Engineering	1815-1855 D	1815-1855 C	40%
5110	Maintenance of Buildings and Fixtures - Distribution Stations	1808 D		0%
5112	Maintenance of Transformer Station Equipment	1815 D		0%
5114	Maintenance of Distribution Station Equipment	1820 D		0%
5120	Maintenance of Poles, Towers and Fixtures	1830 D	1830 C	40%
5125	Maintenance of Overhead Conductors and Devices	1835 D	1835 C	40%
5130	Maintenance of Overhead Services		1855 C	100%
5135	Overhead Distribution Lines and Feeders - Right of Way	1830 & 1835 D	1830 & 1835 C	40%
5145	Maintenance of Underground Conduit	1840 D	1840 C	40%
5150	Maintenance of Underground Conductors and Devices	1845 D	1845 C	40%

5155	Maintenance of Underground Services		1855 C	100%
5160	Maintenance of Line Transformers	1850 D	1850 C	40%
5175	Maintenance of Meters		1860 C	100%

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet E2 Allocator Worksheet - Second Run

Details:
The worksheet below details how allocators are derived.

	Explanation	ID and Factors	Total	1 Residential (R1)	2 GS <50 (C1)	3 GS>50 kW < 200 kW (I1)	4 GS>200 kW < 1000 kW (I4)	5 GS>1000 kW < 5000 kW (I2 - Intermediate)	6 Large Use >5MW (I3)
	Demand Allocators								
	1 cp								
	Transformation CP	**TCP1**	100.00%	50.02%	10.95%	25.30%	1.97%	3.81%	6.69%
	Bulk Delivery (SubTransmission) CP	**BCP1**	100.00%	50.02%	10.95%	25.30%	1.97%	3.81%	6.69%
	Distribution CP (Total System)	**DCP1**	100.00%	50.02%	10.95%	25.30%	1.97%	3.81%	6.69%
	4 cp								
	Transformation CP	**TCP4**	100.00%	49.22%	10.72%	25.96%	1.92%	4.37%	6.46%
	Bulk Delivery (SubTransmission) CP	**BCP4**	100.00%	49.22%	10.72%	25.96%	1.92%	4.37%	6.46%
	Distribution CP (Total System)	**DCP4**	100.00%	49.22%	10.72%	25.96%	1.92%	4.37%	6.46%
	12 cp								
	Transformation CP	**TCP12**	100.00%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
	Bulk Delivery (SubTransmission) CP	**BCP12**	100.00%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
	Distribution CP (Total System)	**DCP12**	100.00%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
	NON CO_INCIDENT PEAK								
	1 NCP								
	Distribution NCP (Total System)	**DNCP1**	100.00%	47.93%	12.06%	26.08%	2.03%	5.20%	6.47%
	Primary NCP	**PNCP1**	100.00%	44.04%	12.47%	28.33%	2.20%	5.66%	7.05%
	Line Transformer NCP	**LTNCP1**	100.00%	51.01%	14.44%	32.58%	1.24%	0.44%	0.00%
	Secondary NCP	**SNCP1**	100.00%	51.15%	14.48%	32.40%	1.24%	0.44%	0.00%
	4 NCP								
	Distribution NCP (Total System)	**DNCP4**	100.00%	47.86%	12.62%	25.17%	2.03%	5.29%	6.79%
	Primary NCP	**PNCP4**	100.00%	43.70%	13.12%	27.48%	2.21%	5.79%	7.44%
	Line Transformer NCP	**LTNCP4**	100.00%	50.92%	15.28%	31.79%	1.25%	0.45%	0.00%
	Secondary NCP	**SNCP4**	100.00%	51.05%	15.31%	31.61%	1.26%	0.45%	0.00%
	12 NCP								
	Distribution NCP (Total System)	**DNCP12**	100.00%	47.07%	12.53%	25.33%	2.04%	5.40%	7.35%
	Primary NCP	**PNCP12**	100.00%	42.36%	13.07%	27.92%	2.25%	5.97%	8.13%
	Line Transformer NCP	**LTNCP12**	100.00%	49.87%	15.39%	32.64%	1.29%	0.47%	0.00%
	Secondary NCP	**SNCP12**	100.00%	50.00%	15.42%	32.46%	1.29%	0.47%	0.00%
	Demand Allocators - Composite								
	DEMAND 1815-1855	**1815-1855 D**	100.00%	47.50%	14.25%	29.65%	1.71%	3.02%	3.58%
	DEMAND 1808	**1808 D**	100.00%	48.94%	11.01%	25.74%	2.15%	5.17%	6.17%
	DEMAND 1815	**1815 D**	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	DEMAND 1820	**1820 D**	100.00%	43.70%	13.12%	27.48%	2.21%	5.79%	7.44%
	DEMAND 1815 & 1820	**1815 & 1820 D**	100.00%	43.70%	13.12%	27.48%	2.21%	5.79%	7.44%
	DEMAND 1830	**1830 D**	100.00%	51.05%	15.31%	31.61%	1.26%	0.45%	0.00%
	DEMAND 1835	**1835 D**	100.00%	46.91%	14.08%	29.28%	1.79%	3.46%	4.19%
	DEMAND 1830 & 1835	**1830 & 1835 D**	100.00%	46.91%	14.08%	29.28%	1.79%	3.46%	4.19%
	DEMAND 1840	**1840 D**	100.00%	51.05%	15.31%	31.61%	1.26%	0.45%	0.00%
	DEMAND 1845	**1845 D**	100.00%	48.09%	14.43%	29.95%	1.64%	2.60%	2.99%
	DEMAND 1840 & 1845	**1840 & 1845 D**	100.00%	48.09%	14.43%	29.95%	1.64%	2.60%	2.99%
	DEMAND 1850	**1850 D**	100.00%	50.92%	15.28%	31.79%	1.25%	0.45%	0.00%
	DEMAND 1855	**1855 D**	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	DEMAND 1860	**1860 D**	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	A	B	C	D	E	F	G	H	I
69									
70	CUSTOMER ALLOCATORS								
71									
72	Billing Data								
73	kWh	**CEN**	**100.00%**	**42.11%**	**11.84%**	**23.37%**	**3.80%**	**9.80%**	**8.16%**
74	kW	**CDEM**	**100.00%**	**0.00%**	**0.00%**	**59.25%**	**9.62%**	**14.07%**	**16.02%**
75	kWh - Excl WMP	**CEN EWMP**	**100.00%**	**42.11%**	**11.84%**	**23.37%**	**3.80%**	**9.80%**	**8.16%**
76									
77	Dollar Billed (per 2006 EDR)	**CREV**	**100.00%**	**52.75%**	**16.56%**	**16.52%**	**2.68%**	**5.38%**	**4.80%**
78	Bad Debt 3 Year Historical Average	**BDHA**	**100.00%**	**79.98%**	**9.02%**	**8.82%**	**1.43%**	**0.00%**	**0.00%**
79	Late Payment 3 Year Historical Average	**LPHA**	**100.00%**	**76.25%**	**13.24%**	**8.06%**	**0.00%**	**2.45%**	**0.00%**
80									
81	Number of Bills	**CNB**	**100.00%**	**90.37%**	**8.16%**	**1.23%**	**0.20%**	**0.02%**	**0.01%**
82	Number of Connections (Unmetered)	**CCON**	**100.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
83									
85									
86	Total Number of Customer	**CCA**	**100.00%**	**75.27%**	**6.08%**	**0.75%**	**0.12%**	**0.01%**	**0.00%**
87	Subtransmission Customer Base	**CCB**	**100.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
88	Primary Feeder Customer Base	**CCP**	**100.00%**	**75.27%**	**6.08%**	**0.75%**	**0.12%**	**0.01%**	**0.00%**
89	Line Transformer Customer Base	**CCLT**	**100.00%**	**75.31%**	**6.08%**	**0.74%**	**0.10%**	**0.00%**	**0.00%**
90	Secondary Feeder Customer Base	**CCS**	**100.00%**	**75.31%**	**6.08%**	**0.74%**	**0.10%**	**0.00%**	**0.00%**
91									
92	Weighted - Services	**CWCS**	**100.00%**	**66.27%**	**10.69%**	**6.51%**	**0.88%**	**0.01%**	**0.00%**
93	Weighted Meter -Capital	**CWMC**	**100.00%**	**52.65%**	**20.14%**	**20.17%**	**3.67%**	**1.57%**	**1.80%**
94	Weighted Meter Reading	**CWMR**	**100.00%**	**78.21%**	**10.20%**	**2.03%**	**8.33%**	**0.96%**	**0.27%**
95	Weighted Bills	**CWNB**	**100.00%**	**77.28%**	**13.96%**	**7.37%**	**1.19%**	**0.11%**	**0.07%**
96									
97	CUSTOMER ALLOCATORS - Composite								
98									
99	CUSTOMER 1815-1855	**1815-1855 C**	**100.00%**	**75.30%**	**6.08%**	**0.75%**	**0.11%**	**0.01%**	**0.00%**
100	CUSTOMER 1808	**1808 C**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
101	CUSTOMER 1815	**1815 C**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
102	CUSTOMER 1820	**1820 C**	**100.00%**	**42.11%**	**11.84%**	**23.37%**	**3.80%**	**9.80%**	**8.16%**
103	CUSTOMER 1815 & 1820	**1815 & 1820 C**	**100.00%**	**42.11%**	**11.84%**	**23.37%**	**3.80%**	**9.80%**	**8.16%**
104	CUSTOMER 1830	**1830 C**	**100.00%**	**75.31%**	**6.08%**	**0.74%**	**0.10%**	**0.00%**	**0.00%**
105	CUSTOMER 1835	**1835 C**	**100.00%**	**75.29%**	**6.08%**	**0.75%**	**0.11%**	**0.01%**	**0.00%**
106	CUSTOMER 1830 & 1835	**1830 & 1835 C**	**100.00%**	**75.29%**	**6.08%**	**0.75%**	**0.11%**	**0.01%**	**0.00%**
107	CUSTOMER 1840	**1840 C**	**100.00%**	**75.31%**	**6.08%**	**0.74%**	**0.10%**	**0.00%**	**0.00%**
108	CUSTOMER 1845	**1845 C**	**100.00%**	**75.30%**	**6.08%**	**0.75%**	**0.11%**	**0.01%**	**0.00%**
109	CUSTOMER 1840 & 1845	**1840 & 1845 C**	**100.00%**	**75.30%**	**6.08%**	**0.75%**	**0.11%**	**0.01%**	**0.00%**
110	CUSTOMER 1850	**1850 C**	**100.00%**	**75.31%**	**6.08%**	**0.74%**	**0.10%**	**0.00%**	**0.00%**
111	CUSTOMER 1855	**1855 C**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
112	CUSTOMER 1860	**1860 C**	**100.00%**	**52.65%**	**20.14%**	**20.17%**	**3.67%**	**1.57%**	**1.80%**
113									
114	**Composite Allocators**								
115	Net Fixed Assets	**NFA**	**100.00%**	**57.17%**	**12.03%**	**19.24%**	**1.36%**	**1.92%**	**2.27%**
116	Net Fixed Assets Excluding Capital Contribution	**NFA ECC**	**100.00%**	**57.42%**	**11.86%**	**19.05%**	**1.31%**	**1.90%**	**2.25%**
117	5005-5340	**O&M**	**100.00%**	**64.62%**	**13.22%**	**14.72%**	**1.96%**	**1.08%**	**1.18%**
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	Street Light	Sentinel	Unmetered Scattered Load (USL)
	0.96%	0.00%	0.31%
	0.96%	0.00%	0.31%
	0.96%	0.00%	0.31%
	1.02%	0.00%	0.33%
	1.02%	0.00%	0.33%
	1.02%	0.00%	0.33%
	0.63%	0.00%	0.20%
	0.63%	0.00%	0.20%
	0.63%	0.00%	0.20%
	0.00%	0.00%	0.23%
	0.00%	0.00%	0.25%
	0.00%	0.00%	0.29%
	0.00%	0.00%	0.30%
	0.00%	0.00%	0.25%
	0.00%	0.00%	0.27%
	0.00%	0.00%	0.31%
	0.00%	0.00%	0.31%
	0.00%	0.00%	0.27%
	0.00%	0.00%	0.30%
	0.00%	0.00%	0.35%
	0.00%	0.00%	0.35%
	0.00%	0.00%	0.29%
	0.63%	0.00%	0.20%
	0.00%	0.00%	0.00%
	0.00%	0.00%	0.27%
	0.00%	0.00%	0.27%
	0.00%	0.00%	0.31%
	0.00%	0.00%	0.29%
	0.00%	0.00%	0.29%
	0.00%	0.00%	0.31%
	0.00%	0.00%	0.30%
	0.00%	0.00%	0.30%
	0.00%	0.00%	0.31%
	0.00%	0.00%	0.00%
	0.00%	0.00%	0.00%

	J	K	L	X	Y	Z
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73	0.66%	0.00%	0.25%			
74	0.00%	0.01%	1.02%			
75	0.66%	0.00%	0.25%			
76						
77	0.88%	0.02%	0.40%			
78	0.00%	0.00%	0.74%			
79	0.00%	0.00%	0.00%			
80						
81	0.00%	0.00%	0.00%			
82	96.44%	0.74%	2.82%			
83						
85						
86	17.13%	0.13%	0.50%			
87	96.44%	0.74%	2.82%			
88	17.13%	0.13%	0.50%			
89	17.14%	0.13%	0.50%			
90	17.14%	0.13%	0.50%			
91						
92	15.08%	0.12%	0.44%			
93	0.00%	0.00%	0.00%			
94	0.00%	0.00%	0.00%			
95	0.00%	0.00%	0.01%			
96						
97						
98						
99	17.13%	0.13%	0.50%			
100	0.00%	0.00%	0.00%			
101	0.00%	0.00%	0.00%			
102	0.66%	0.00%	0.25%			
103	0.66%	0.00%	0.25%			
104	17.14%	0.13%	0.50%			
105	17.13%	0.13%	0.50%			
106	17.13%	0.13%	0.50%			
107	17.14%	0.13%	0.50%			
108	17.13%	0.13%	0.50%			
109	17.13%	0.13%	0.50%			
110	17.14%	0.13%	0.50%			
111	0.00%	0.00%	0.00%			
112	0.00%	0.00%	0.00%			
113						
114						
115	5.62%	0.04%	0.33%			
116	5.83%	0.04%	0.34%			
117	2.95%	0.02%	0.24%			
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2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet E3 Demand Allocator Worksheet - Second Run

Instructions:
Input sheet for Demand Allocators.

PLCC WATTS
400

			1	2	3	4	5	6	7	8	9
	Customer Classes	Total	Residential (R1)	GS <50 (C1)	GS>50 kW < 200 kW (I1)	GS>200 kW < 1000 kW (I4)	GS>1000 kW < 5000 kW (I2 - Intermediate)	Large Use >5MW (I3)	Street Light	Sentinel	Unmetered Scattered Load (USL)
	CCA	58,828	44,280	3,576	443	72	7	2	10,076	77	295
	CCB	10,448	0	0	0	0	0	0	10,076	77	295
	CCP	58,828	44,280	3,576	443	72	7	2	10,076	77	295
	CCLT	58,799	44,280	3,574	437	59	1	0	10,076	77	295
	CCS	58,795	44,280	3,572	435	59	1	0	10,076	77	295
	PLCC-CCA	23,531	17,712	1,430	177	29	3	1	4,030	31	118
	PLCC-CCB	4,179	0	0	0	0	0	0	4,030	31	118
	PLCC-CCP	23,531	17,712	1,430	177	29	3	1	4,030	31	118
	PLCC-CCLT	23,520	17,712	1,430	175	24	0	0	4,030	31	118
	PLCC-CCS	23,518	17,712	1,429	174	24	0	0	4,030	31	118
	1NCP										
	DNCP1	238,081	113,057	28,438	61,511	4,788	12,268	15,257	2,085	10	668
	PNCP1	238,081	113,057	28,438	61,511	4,788	12,268	15,257	2,085	10	668
	LTNCP1	208,476	113,057	28,428	61,070	2,342	816	0	2,085	10	668
	SNCP1	207,971	113,057	28,418	60,575	2,342	816	0	2,085	10	668
	PLCC - 1NCP										
	DNCP1A	235,869	113,057	28,438	61,511	4,788	12,268	15,257	0	0	550
	PNCP1A	216,517	95,345	27,007	61,334	4,760	12,266	15,256	0	0	550
	LTNCP1A	186,923	95,345	26,998	60,895	2,318	816	0	0	0	550
	SNCP1A	186,419	95,345	26,989	60,401	2,318	816	0	0	0	550
	4 NCP										
	DNCP4	898,796	425,945	112,315	223,978	18,061	47,067	60,440	8,296	38	2,657
	PNCP4	898,796	425,945	112,315	223,978	18,061	47,067	60,440	8,296	38	2,657
	LTNCP4	783,581	425,945	112,305	222,374	8,835	3,131	0	8,296	38	2,657
	SNCP4	781,711	425,945	112,238	220,571	8,835	3,131	0	8,296	38	2,657
	PLCC - 4NCP										
	DNCP4A	889,990	425,945	112,315	223,978	18,061	47,067	60,440	0	0	2,185
	PNCP4A	812,582	355,097	106,593	223,269	17,946	47,055	60,437	0	0	2,185
	LTNCP4A	697,413	355,097	106,587	221,675	8,741	3,129	0	0	0	2,185
	SNCP4A	695,550	355,097	106,523	219,875	8,741	3,129	0	0	0	2,185
	12NCP										
	DNCP12	2,447,639	1,139,840	303,377	613,380	49,505	130,817	177,954	24,731	113	7,921
	PNCP12	2,447,639	1,139,840	303,377	613,380	49,505	130,817	177,954	24,731	113	7,921
	LTNCP12	2,117,878	1,139,840	303,367	608,986	24,218	8,702	0	24,731	113	7,921
	SNCP12	2,112,743	1,139,840	303,169	604,049	24,218	8,702	0	24,731	113	7,921
	PLCC - 12NCP										
	DNCP12A	2,421,378	1,139,840	303,377	613,380	49,505	130,817	177,954	0	0	6,505
	PNCP12A	2,189,154	927,296	286,213	611,254	49,159	130,783	177,944	0	0	6,505

	A	B	C	D	E	F	G	H	I	J	K	W	X
67	**LTNCP12A**	**1,859,533**	927,296	286,212	606,888	23,935	8,697	0	0	0	6,505		
68	**SNCP12A**	**1,854,417**	927,296	286,023	601,961	23,935	8,697	0	0	0	6,505		

Uniform System of Accounts - Detail Accounts:					Classifica
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand
1565	Conservation and Demand Management Expenditures and Recoveries	CDM Expenditures and Recoveries	dp		
1608	Franchises and Consents	Other Distribution Assets	gp		
1805	Land		dp	DDCP	
1805-1	Land Station >50 kV		dp	TCP	TCP12
1805-2	Land Station <50 kV		dp	DCP	DCP12
1806	Land Rights		dp	DDCP	
1806-1	Land Rights Station >50 kV		dp	TCP	TCP12
1806-2	Land Rights Station <50 kV		dp	DCP	DCP12
1808	Buildings and Fixtures		dp	DDCP	
1808-1	Buildings and Fixtures > 50 kV		dp	TCP	TCP12
1808-2	Buildings and Fixtures < 50 KV		dp	DCP	DCP12
1810	Leasehold Improvements		dp	DDCP	
1810-1	Leasehold Improvements >50 kV		dp	TCP	TCP12
1810-2	Leasehold Improvements <50 kV		dp	DCP	DCP12
1815	Transformer Station Equipment - Normally Primary above 50 kV		dp	TCP	TCP12
1820	Distribution Station Equipment - Normally Primary below 50 kV		dp	DCP	DCP12
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)		dp	DCP	DCP12
1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)		dp	PNCP	PNCP4
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)		dp		
1825	Storage Battery Equipment		dp	DDCP	
1825-1	Storage Battery Equipment > 50 kV		dp	TCP	TCP12
1825-2	Storage Battery Equipment <50 kV		dp	DCP	DCP12
1830	Poles, Towers and Fixtures		dp	DDNCP	
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery		dp	BCP	BCP12

Uniform System of Accounts - Detail Accounts:					Classifica
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand
1830-4	Poles, Towers and Fixtures - Primary		dp	PNCP	PNCP4
1830-5	Poles, Towers and Fixtures - Secondary		dp	SNCP	SNCP4
1835	Overhead Conductors and Devices		dp	DDNCP	
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery		dp	BCP	BCP12
1835-4	Overhead Conductors and Devices - Primary		dp	PNCP	PNCP4
1835-5	Overhead Conductors and Devices - Secondary		dp	SNCP	SNCP4
1840	Underground Conduit		dp	DDNCP	
1840-3	Underground Conduit - Bulk Delivery	Land and Buildings	dp	BCP	BCP12
1840-4	Underground Conduit - Primary	Land and Buildings	dp	PNCP	PNCP4
1840-5	Underground Conduit - Secondary	Land and Buildings	dp	SNCP	SNCP4
1845	Underground Conductors and Devices	Land and Buildings	dp	DDNCP	
1845-3	Underground Conductors and Devices - Bulk Delivery	TS Primary Above 50	dp	BCP	BCP12
1845-4	Underground Conductors and Devices - Primary	DS	dp	PNCP	PNCP4
1845-5	Underground Conductors and Devices - Secondary	Other Distribution Assets	dp	SNCP	SNCP4
1850	Line Transformers	Poles, Wires	dp	LTNCP	LTNCP4
1855	Services	Services and Meters	dp		
1860	Meters	Services and Meters	dp		
1905	Land	Land and Buildings	gp		
1906	Land Rights	Land and Buildings	gp		
1908	Buildings and Fixtures	General Plant	gp		
1910	Leasehold Improvements	General Plant	gp		
1915	Office Furniture and Equipment	Equipment	gp		
1920	Computer Equipment - Hardware	IT Assets	gp		
1925	Computer Software	IT Assets	gp		
1930	Transportation Equipment	Equipment	gp		
1935	Stores Equipment	Equipment	gp		
1940	Tools, Shop and Garage Equipment	Equipment	gp		
1945	Measurement and Testing Equipment	Equipment	gp		

Uniform System of Accounts - Detail Accounts:					Classifica
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand
1950	Power Operated Equipment	Equipment	gp		
1955	Communication Equipment	Equipment	gp		
1960	Miscellaneous Equipment	Equipment	gp		
1970	Load Management Controls - Customer Premises	Other Distribution Assets	gp		
1975	Load Management Controls - Utility Premises	Other Distribution Assets	gp		
1980	System Supervisory Equipment	Other Distribution Assets	gp		
1990	Other Tangible Property	Other Distribution Assets	gp		
1995	Contributions and Grants - Credit	Contributions and Grants	co		Break out
2005	Property Under Capital Leases	Other Distribution Assets	gp		
2010	Electric Plant Purchased or Sold	Other Distribution Assets	gp		
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	Accumulated Amortization	accum dep		Break out
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	Accumulated Amortization	accum dep		Break out
3046	Balance Transferred From Income	Equity	NI		
4080	Distribution Services Revenue	Distribution Services Revenue	CREV		
4082	Retail Services Revenues	Other Distribution Revenue	mi		
4084	Service Transaction Requests (STR) Revenues	Other Distribution Revenue	mi		
4090	Electric Services Incidental to Energy Sales	Other Distribution Revenue	mi		
4205	Interdepartmental Rents	Other Distribution Revenue	mi		
4210	Rent from Electric Property	Other Distribution Revenue	mi		
4215	Other Utility Operating Income	Other Distribution Revenue	mi		
4220	Other Electric Revenues	Other Distribution Revenue	mi		
4225	Late Payment Charges	Late Payment Charges	mi		
4235	Miscellaneous Service Revenues	Specific Service Charges	mi		
4240	Provision for Rate Refunds	Other Distribution Revenue	mi		

Uniform System of Accounts - Detail Accounts:					Classifica
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand
4245	Government Assistance Directly Credited to Income	Other Distribution Revenue	mi		
4305	Regulatory Debits	Other Income & Deductions	mi		
4310	Regulatory Credits	Other Income & Deductions	mi		
4315	Revenues from Electric Plant Leased to Others	Other Income & Deductions	mi		
4320	Expenses of Electric Plant Leased to Others	Other Income & Deductions	mi		
4325	Revenues from Merchandise, Jobbing, Etc.	Other Income & Deductions	mi		
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	Other Income & Deductions	mi		
4335	Profits and Losses from Financial Instrument Hedges	Other Income & Deductions	mi		
4340	Profits and Losses from Financial Instrument Investments	Other Income & Deductions	mi		
4345	Gains from Disposition of Future Use Utility Plant	Other Income & Deductions	mi		
4350	Losses from Disposition of Future Use Utility Plant	Other Income & Deductions	mi		
4355	Gain on Disposition of Utility and Other Property	Other Income & Deductions	mi		
4360	Loss on Disposition of Utility and Other Property	Other Income & Deductions	mi		
4365	Gains from Disposition of Allowances for Emission	Other Income & Deductions	mi		
4370	Losses from Disposition of Allowances for Emission	Other Income & Deductions	mi		
4390	Miscellaneous Non-Operating Income	Other Income & Deductions	mi		
4395	Rate-Payer Benefit Including Interest	Other Income & Deductions	mi		
4398	Foreign Exchange Gains and Losses, Including Amortization	Other Income & Deductions	mi		
4405	Interest and Dividend Income	Other Income & Deductions	mi		
4415	Equity in Earnings of Subsidiary Companies	Other Income & Deductions	mi		
4705	Power Purchased	Power Supply Expenses (Working Capital)	cop		

Uniform System of Accounts - Detail Accounts:					Classifica
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand
4708	Charges-WMS	Power Supply Expenses (Working Capital)	cop		
4710	Cost of Power Adjustments	Power Supply Expenses (Working Capital)	cop		
4712	Charges-One-Time	Power Supply Expenses (Working Capital)	cop		
4714	Charges-NW	Power Supply Expenses (Working Capital)	cop		
4715	System Control and Load Dispatching	Other Power Supply Expenses	cop		
4716	Charges-CN	Power Supply Expenses (Working Capital)	cop		
4730	Rural Rate Assistance Expense	Power Supply Expenses (Working Capital)	cop		
5005	Operation Supervision and Engineering	Operation (Working Capital)	di	1815-1855 D	1815-1855 D
5010	Load Dispatching	Operation (Working Capital)	di	1815-1855 D	1815-1855 D
5012	Station Buildings and Fixtures Expense	Operation (Working Capital)	di	1808 D	1808 D
5014	Transformer Station Equipment - Operation Labour	Operation (Working Capital)	di	1815 D	1815 D
5015	Transformer Station Equipment - Operation Supplies and Expenses	Operation (Working Capital)	di	1815 D	1815 D
5016	Distribution Station Equipment - Operation Labour	Operation (Working Capital)	di	1820 D	1820 D
5017	Distribution Station Equipment - Operation Supplies and Expenses	Operation (Working Capital)	di	1820 D	1820 D
5020	Overhead Distribution Lines and Feeders - Operation Labour	Operation (Working Capital)	di	1830 & 1835 D	1830 & 1835
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	Operation (Working Capital)	di	1830 & 1835 D	1830 & 1835
5030	Overhead Subtransmission Feeders - Operation	Operation (Working Capital)	di	1830 & 1835 D	1830 & 1835
5035	Overhead Distribution Transformers- Operation	Operation (Working Capital)	di	1850 D	1850 D

Uniform System of Accounts - Detail Accounts:					Classifica
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand
5040	Underground Distribution Lines and Feeders - Operation Labour	Operation (Working Capital)	di	1840 & 1845 D	1840 & 1845
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	Operation (Working Capital)	di	1840 & 1845 D	1840 & 1845
5050	Underground Subtransmission Feeders - Operation	Operation (Working Capital)	di	1840 & 1845 D	1840 & 1845
5055	Underground Distribution Transformers - Operation	Operation (Working Capital)	di	1850 D	1850 D
5065	Meter Expense	Operation (Working Capital)	cu		
5070	Customer Premises - Operation Labour	Operation (Working Capital)	cu		
5075	Customer Premises - Materials and Expenses	Operation (Working Capital)	cu		
5085	Miscellaneous Distribution Expense	Operation (Working Capital)	di	1815-1855 D	1815-1855 D
5090	Underground Distribution Lines and Feeders - Rental Paid	Operation (Working Capital)	di	1840 & 1845 D	1840 & 1845
5095	Overhead Distribution Lines and Feeders - Rental Paid	Operation (Working Capital)	di	1830 & 1835 D	1830 & 1835
5096	Other Rent	Operation (Working Capital)	di		
5105	Maintenance Supervision and Engineering	Maintenance (Working Capital)	di	1815-1855 D	1815-1855 D
5110	Maintenance of Buildings and Fixtures - Distribution Stations	Maintenance (Working Capital)	di	1808 D	1808 D
5112	Maintenance of Transformer Station Equipment	Maintenance (Working Capital)	di	1815 D	1815 D
5114	Maintenance of Distribution Station Equipment	Maintenance (Working Capital)	di	1820 D	1820 D
5120	Maintenance of Poles, Towers and Fixtures	Maintenance (Working Capital)	di	1830 D	1830 D
5125	Maintenance of Overhead Conductors and Devices	Maintenance (Working Capital)	di	1835 D	1835 D
5130	Maintenance of Overhead Services	Maintenance (Working Capital)	di	1855 D	1855 D
5135	Overhead Distribution Lines and Feeders - Right of Way	Maintenance (Working Capital)	di	1830 & 1835 D	1830 & 1835
5145	Maintenance of Underground Conduit	Maintenance (Working Capital)	di	1840 D	1840 D

Uniform System of Accounts - Detail Accounts:					Classifica
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand
5150	Maintenance of Underground Conductors and Devices	Maintenance (Working Capital)	di	1845 D	1845 D
5155	Maintenance of Underground Services	Maintenance (Working Capital)	di	1855 D	1855 D
5160	Maintenance of Line Transformers	Maintenance (Working Capital)	di	1850 D	1850 D
5175	Maintenance of Meters	Maintenance (Working Capital)	cu	1860 D	1860 D
5305	Supervision	Billing and Collection (Working Capital)	cu		
5310	Meter Reading Expense	Billing and Collection (Working Capital)	cu		
5315	Customer Billing	Billing and Collection (Working Capital)	cu		
5320	Collecting	Billing and Collection (Working Capital)	cu		
5325	Collecting- Cash Over and Short	Billing and Collection (Working Capital)	cu		
5330	Collection Charges	Billing and Collection (Working Capital)	cu		
5335	Bad Debt Expense	Bad Debt Expense (Working Capital)	cu		
5340	Miscellaneous Customer Accounts Expenses	Billing and Collection (Working Capital)	cu		
5405	Supervision	Community Relations (Working Capital)	ad		
5410	Community Relations - Sundry	Community Relations (Working Capital)	ad		
5415	Energy Conservation	Community Relations - CDM (Working Capital)	ad		
5420	Community Safety Program	Community Relations (Working Capital)	ad		
5425	Miscellaneous Customer Service and Informational Expenses	Community Relations (Working Capital)	ad		
5505	Supervision	Other Distribution Expenses	ad		
5510	Demonstrating and Selling Expense	Other Distribution Expenses	ad		

Uniform System of Accounts - Detail Accounts:					Classifica
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand
5515	Advertising Expense	Advertising Expenses	ad		
5520	Miscellaneous Sales Expense	Other Distribution Expenses	ad		
5605	Executive Salaries and Expenses	Administrative and General Expenses (Working Capital)	ad		
5610	Management Salaries and Expenses	Administrative and General Expenses (Working Capital)	ad		
5615	General Administrative Salaries and Expenses	Administrative and General Expenses (Working Capital)	ad		
5620	Office Supplies and Expenses	Administrative and General Expenses (Working Capital)	ad		
5625	Administrative Expense Transferred Credit	Administrative and General Expenses (Working Capital)	ad		
5630	Outside Services Employed	Administrative and General Expenses (Working Capital)	ad		
5635	Property Insurance	Insurance Expense (Working Capital)	ad		
5640	Injuries and Damages	Administrative and General Expenses (Working Capital)	ad		
5645	Employee Pensions and Benefits	Administrative and General Expenses (Working Capital)	ad		
5650	Franchise Requirements	Administrative and General Expenses (Working Capital)	ad		
5655	Regulatory Expenses	Administrative and General Expenses (Working Capital)	ad		
5660	General Advertising Expenses	Advertising Expenses	ad		
5665	Miscellaneous General Expenses	Administrative and General Expenses (Working Capital)	ad		
5670	Rent	Administrative and General Expenses (Working Capital)	ad		
5675	Maintenance of General Plant	Administrative and General Expenses (Working Capital)	ad		
5680	Electrical Safety Authority Fees	Administrative and General Expenses (Working Capital)	ad		

Uniform System of Accounts - Detail Accounts:					Classifica
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand
5685	Independent Market Operator Fees and Penalties	Power Supply Expenses (Working Capital)	cop		
5705	Amortization Expense - Property, Plant, and Equipment	Amortization of Assets	dep	PRORATED	Break out
5710	Amortization of Limited Term Electric Plant	Amortization of Assets	dep	PRORATED	Break out
5715	Amortization of Intangibles and Other Electric Plant	Amortization of Assets	dep	PRORATED	Break out
5720	Amortization of Electric Plant Acquisition Adjustments	Other Amortization - Unclassified	dep	PRORATED	Break out
5730	Amortization of Unrecovered Plant and Regulatory Study Costs	Amortization of Assets	dep		
5735	Amortization of Deferred Development Costs	Amortization of Assets	dep		
5740	Amortization of Deferred Charges	Amortization of Assets	dep		
6005	Interest on Long Term Debt	Interest Expense - Unclassifed	INT		
6105	Taxes Other Than Income Taxes	Other Distribution Expenses	ad		
6110	Income Taxes	Income Tax Expense - Unclassified	Input		
6205	Donations	Charitable Contributions	ad		
6210	Life Insurance	Insurance Expense (Working Capital)	ad		
6215	Penalties	Other Distribution Expenses	ad		
6225	Other Deductions	Other Distribution Expenses	ad		

tion and Allocation	
Customer	**Joint**
O&M	
CEN	

tion and Allocation	
Customer	**Joint**
CCP	**x**
CCS	**x**
CCP	**x**
CCS	**x**
CCP	**x**
CCS	**x**
CCP	**x**
CCS	**x**
CCLT	**x**
CWCS	
CWMC	

tion and Allocation	
Customer	**Joint**
Breakout	
Breakout	
Breakout	

tion and Allocation	
Customer	Joint

tion and Allocation	
Customer	**Joint**
1815-1855 C	**x**
1815-1855 C	**x**
1808 C	
1815 C	
1815 C	
1820 C	
1820 C	
L830 & 1835 C	**x**
L830 & 1835 C	**x**
L830 & 1835 C	
1850 C	**x**

tion and Allocation	
Customer	Joint
L840 & 1845 C	x
L840 & 1845 C	x
L840 & 1845 C	
1850 C	x
CWMC	
CCA	
CCA	
1815-1855 C	x
L840 & 1845 C	x
L830 & 1835 C	x
1815-1855 C	x
1808 C	
1815 C	
1820 C	
1830 C	x
1835 C	x
1855 C	
L830 & 1835 C	x
1840 C	x

tion and Allocation	
Customer	**Joint**
1845 C	**x**
1855 C	
1850 C	**x**
1860 C	
CWNB	
CWMR	
CWNB	
CWNB	
CWNB	
CWNB	
BDHA	
CWNB	

tion and Allocation	
Customer	**Joint**

tion and Allocation	
Customer	Joint
Breakout	
Breakout	
Breakout	
Breakout	

2006 COST ALLOCATION INFORMATION FILING

Oshawa PUC Networks Inc.

EB-2005-0402 EB-2006-0247

Monday, January 15, 2007

Sheet E5 Reconciliation Worksheet - Second Run

Details:
The worksheet below shows reconciliation of costs included and excluded in the Trial Balance.

USoA Account #	Accounts	Financial Statement	Financial Statement - Asset Break Out includes Acc Dep and Contributed Capital	Adjusted TB	Excluded from COSS
1565	Conservation and Demand Management Expenditures and Recoveries				
1608	Franchises and Consents				
1805	Land				
1805-1	Land Station >50 kV				
1805-2	Land Station <50 kV				
1806	Land Rights				
1806-1	Land Rights Station >50 kV				
1806-2	Land Rights Station <50 kV				
1808	Buildings and Fixtures				
1808-1	Buildings and Fixtures > 50 kV				
1808-2	Buildings and Fixtures < 50 KV				
1810	Leasehold Improvements				
1810-1	Leasehold Improvements >50 kV				
1810-2	Leasehold Improvements <50 kV				
1815	Transformer Station Equipment - Normally Primary above 50 kV				
1820	Distribution Station Equipment - Normally Primary below 50 kV				

	Distribution Station Equipment - Normally
1820-1	Primary below 50 kV (Bulk)
	Distribution Station Equipment - Normally
1820-2	Primary below 50 kV (Primary)
	Distribution Station Equipment - Normally
1820-3	Primary below 50 kV (Wholesale Meters)
1825	Storage Battery Equipment
1825-1	Storage Battery Equipment > 50 kV
1825-2	Storage Battery Equipment <50 kV
1830	Poles, Towers and Fixtures
	Poles, Towers and Fixtures -
1830-3	Subtransmission Bulk Delivery
1830-4	Poles, Towers and Fixtures - Primary
1830-5	Poles, Towers and Fixtures - Secondary
1835	Overhead Conductors and Devices
	Overhead Conductors and Devices -
1835-3	Subtransmission Bulk Delivery
1835-4	Overhead Conductors and Devices - Primary
	Overhead Conductors and Devices -
1835-5	Secondary
1840	Underground Conduit
1840-3	Underground Conduit - Bulk Delivery
1840-4	Underground Conduit - Primary
1840-5	Underground Conduit - Secondary
1845	Underground Conductors and Devices
	Underground Conductors and Devices - Bulk
1845-3	Delivery
	Underground Conductors and Devices -
1845-4	Primary
	Underground Conductors and Devices -
1845-5	Secondary
1850	Line Transformers
1855	Services
1860	Meters
1905	Land
1906	Land Rights

1908	Buildings and Fixtures
1910	Leasehold Improvements
1915	Office Furniture and Equipment
1920	Computer Equipment - Hardware
1925	Computer Software
1930	Transportation Equipment
1935	Stores Equipment
1940	Tools, Shop and Garage Equipment
1945	Measurement and Testing Equipment
1950	Power Operated Equipment
1955	Communication Equipment
1960	Miscellaneous Equipment
1970	Load Management Controls - Customer Premises
1975	Load Management Controls - Utility Premises
1980	System Supervisory Equipment
1990	Other Tangible Property
1995	Contributions and Grants - Credit
2005	Property Under Capital Leases
2010	Electric Plant Purchased or Sold
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment
2120	Accumulated Amortization of Electric Utility Plant - Intangibles
3046	Balance Transferred From Income
4080	Distribution Services Revenue
4082	Retail Services Revenues
4084	Service Transaction Requests (STR) Revenues
4090	Electric Services Incidental to Energy Sales
4205	Interdepartmental Rents
4210	Rent from Electric Property
4215	Other Utility Operating Income
4220	Other Electric Revenues
4225	Late Payment Charges

4235	Miscellaneous Service Revenues
4240	Provision for Rate Refunds
4245	Government Assistance Directly Credited to Income
4305	Regulatory Debits
4310	Regulatory Credits
4315	Revenues from Electric Plant Leased to Others
4320	Expenses of Electric Plant Leased to Others
4325	Revenues from Merchandise, Jobbing, Etc.
4330	Costs and Expenses of Merchandising, Jobbing, Etc.
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
4360	Loss on Disposition of Utility and Other Property
4365	Gains from Disposition of Allowances for Emission
4370	Losses from Disposition of Allowances for Emission
4390	Miscellaneous Non-Operating Income
4395	Rate-Payer Benefit Including Interest
4398	Foreign Exchange Gains and Losses, Including Amortization
4405	Interest and Dividend Income
4415	Equity in Earnings of Subsidiary Companies

4705	Power Purchased
4708	Charges-WMS
4710	Cost of Power Adjustments
4712	Charges-One-Time
4714	Charges-NW
4715	System Control and Load Dispatching
4716	Charges-CN
4730	Rural Rate Assistance Expense
5005	Operation Supervision and Engineering
5010	Load Dispatching
5012	Station Buildings and Fixtures Expense
5014	Transformer Station Equipment - Operation Labour
5015	Transformer Station Equipment - Operation Supplies and Expenses
5016	Distribution Station Equipment - Operation Labour
5017	Distribution Station Equipment - Operation Supplies and Expenses
5020	Overhead Distribution Lines and Feeders - Operation Labour
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses
5030	Overhead Subtransmission Feeders - Operation
5035	Overhead Distribution Transformers- Operation
5040	Underground Distribution Lines and Feeders - Operation Labour
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses
5050	Underground Subtransmission Feeders - Operation
5055	Underground Distribution Transformers - Operation
5065	Meter Expense
5070	Customer Premises - Operation Labour

5075	Customer Premises - Materials and Expenses
5085	Miscellaneous Distribution Expense
5090	Underground Distribution Lines and Feeders - Rental Paid
5095	Overhead Distribution Lines and Feeders - Rental Paid
5096	Other Rent
5105	Maintenance Supervision and Engineering
5110	Maintenance of Buildings and Fixtures - Distribution Stations
5112	Maintenance of Transformer Station Equipment
5114	Maintenance of Distribution Station Equipment
5120	Maintenance of Poles, Towers and Fixtures
5125	Maintenance of Overhead Conductors and Devices
5130	Maintenance of Overhead Services
5135	Overhead Distribution Lines and Feeders - Right of Way
5145	Maintenance of Underground Conduit
5150	Maintenance of Underground Conductors and Devices
5155	Maintenance of Underground Services
5160	Maintenance of Line Transformers
5175	Maintenance of Meters
5305	Supervision
5310	Meter Reading Expense
5315	Customer Billing
5320	Collecting
5325	Collecting- Cash Over and Short
5330	Collection Charges
5335	Bad Debt Expense
5340	Miscellaneous Customer Accounts Expenses

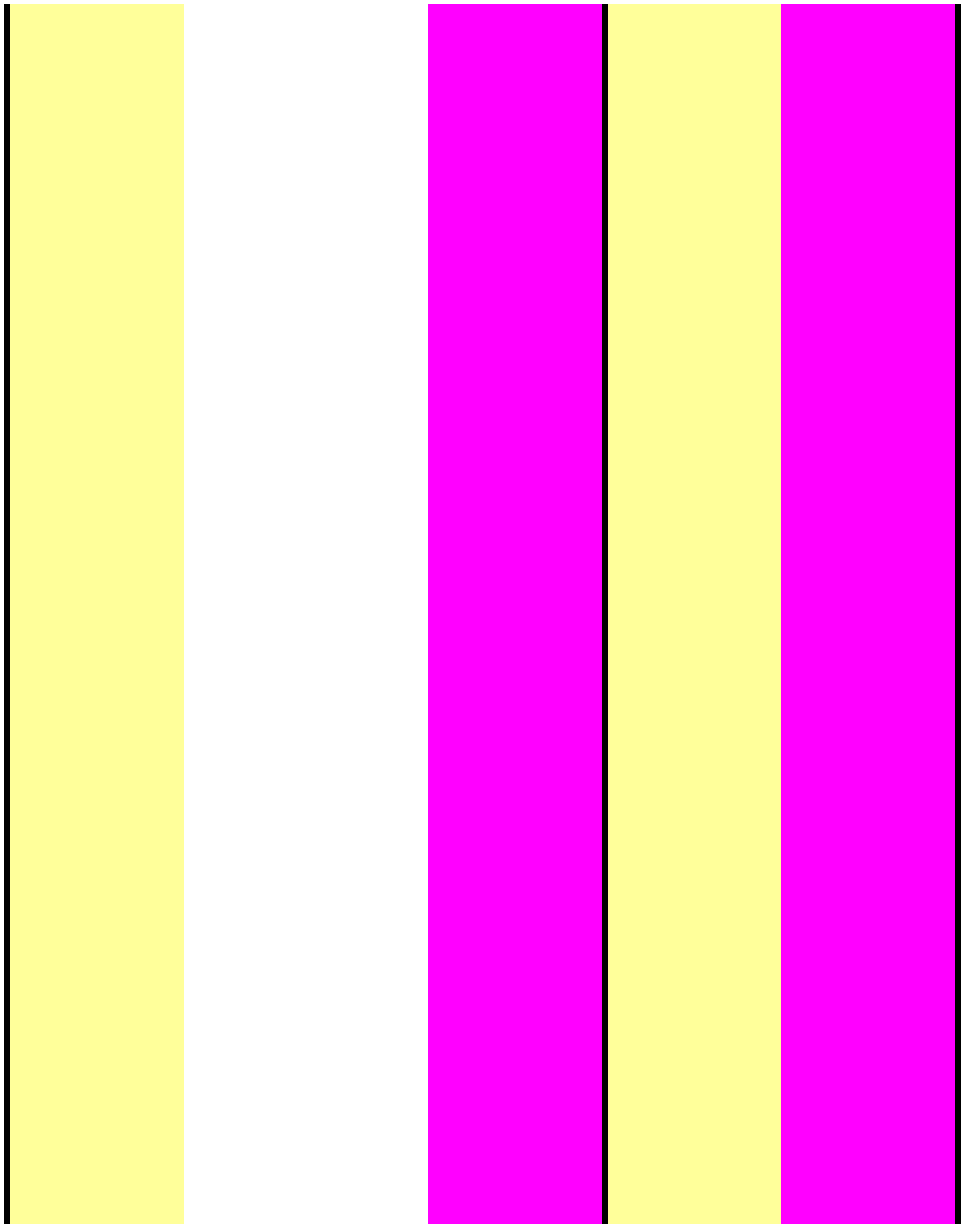
5405	Supervision
5410	Community Relations - Sundry
5415	Energy Conservation
5420	Community Safety Program
5425	Miscellaneous Customer Service and Informational Expenses
5505	Supervision
5510	Demonstrating and Selling Expense
5515	Advertising Expense
5520	Miscellaneous Sales Expense
5605	Executive Salaries and Expenses
5610	Management Salaries and Expenses
5615	General Administrative Salaries and Expenses
5620	Office Supplies and Expenses
5625	Administrative Expense Transferred Credit
5630	Outside Services Employed
5635	Property Insurance
5640	Injuries and Damages
5645	Employee Pensions and Benefits
5650	Franchise Requirements
5655	Regulatory Expenses
5660	General Advertising Expenses
5665	Miscellaneous General Expenses
5670	Rent
5675	Maintenance of General Plant
5680	Electrical Safety Authority Fees
5685	Independent Market Operator Fees and Penalties
5705	Amortization Expense - Property, Plant, and Equipment
5710	Amortization of Limited Term Electric Plant
5715	Amortization of Intangibles and Other Electric Plant
5720	Amortization of Electric Plant Acquisition Adjustments

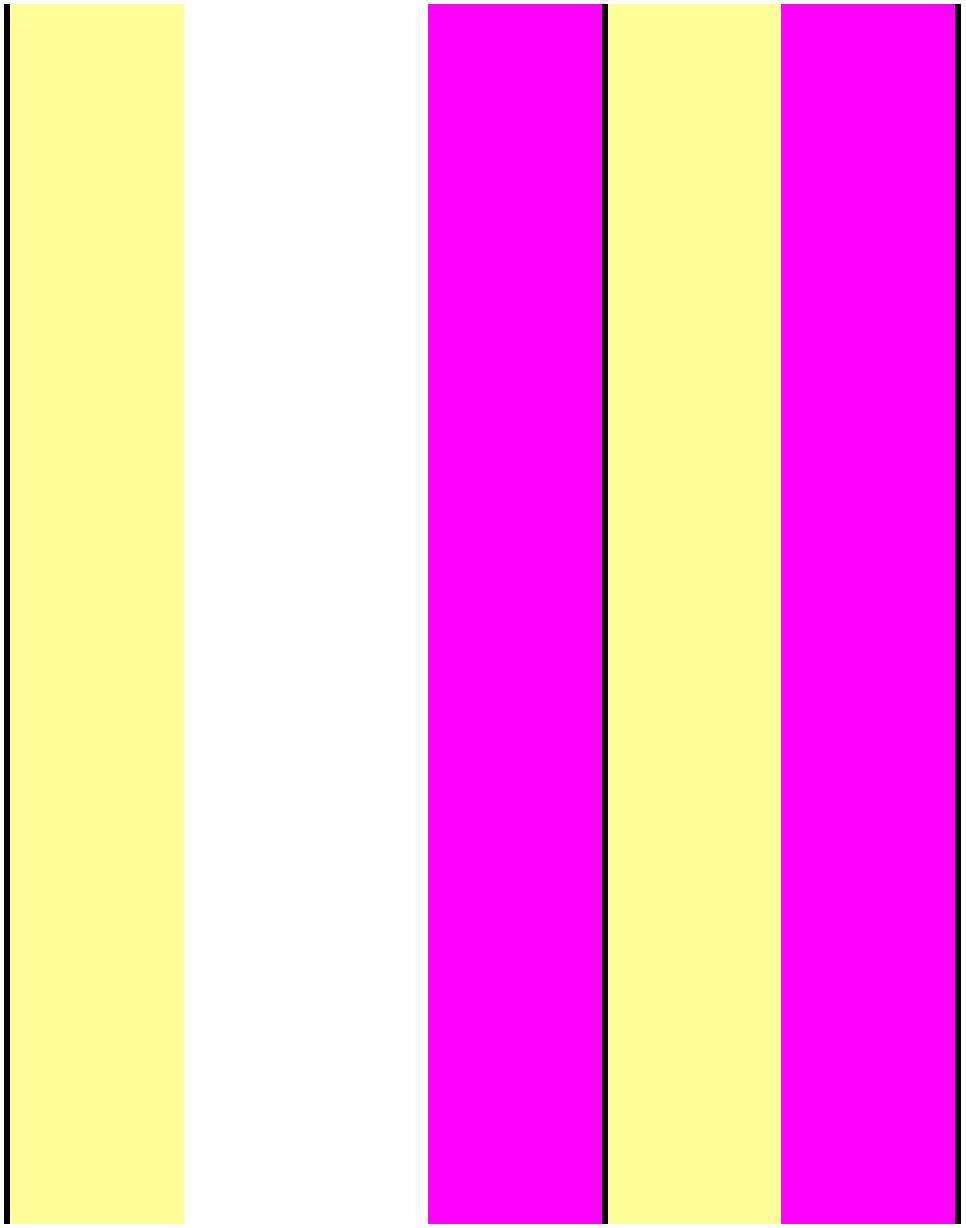
5730	Amortization of Unrecovered Plant and Regulatory Study Costs				
5735	Amortization of Deferred Development Costs				
5740	Amortization of Deferred Charges				
6005	Interest on Long Term Debt				
6105	Taxes Other Than Income Taxes				
6110	Income Taxes				
6205	Donations				
6210	Life Insurance				
6215	Penalties				
6225	Other Deductions				
	Total	**$11,247,494**	**$105,368,710**	**$116,616,204**	**Control**

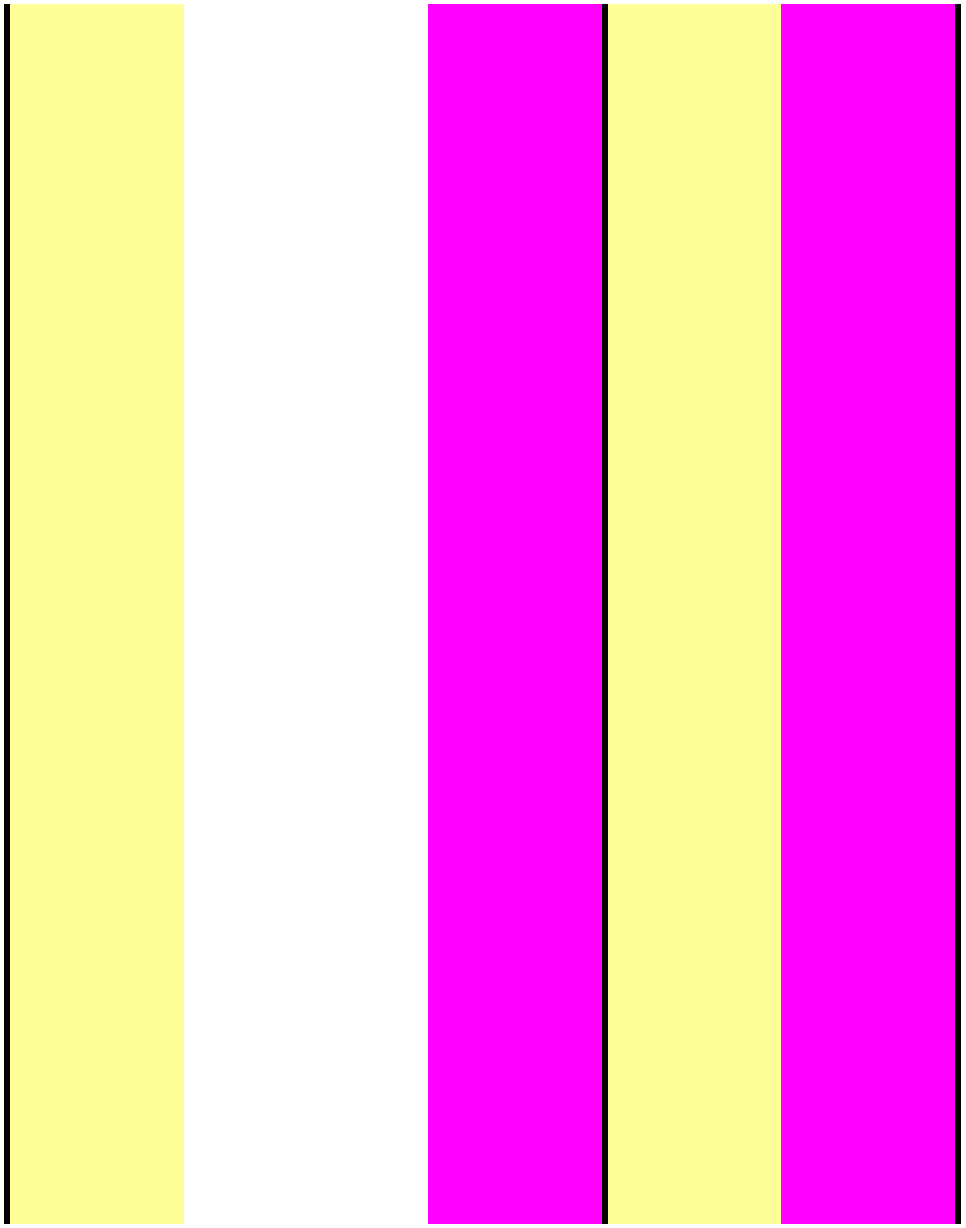
Grouping by Allocator	**Adjusted TB**	**Excluded from COSS**	**Excluded**	**Included**
1808	$ -	$ -	$ -	$ -
1815	$ -	$ -	$ -	$ -
1820	$ 52,421	$ -	$ -	$ 52,421
1830	$ 135,136	$ -	$ -	$ 135,136
1835	$ -	$ -	$ -	$ -
1840	$ 21,284	$ -	$ -	$ 21,284
1845	$ -	$ -	$ -	$ -
1850	$ 289,348	$ -	$ -	$ 289,348
1855	$ -	$ -	$ -	$ -
1860	$ 30,540	$ -	$ -	$ 30,540
1815-1855	$ 48,321	$ -	$ -	$ 48,321
1830 & 1835	$ 756,996	$ -	$ -	$ 756,996
1840 & 1845	$ 179,986	$ -	$ -	$ 179,986
BCP	$ -	$ -	$ -	$ -
BDHA	$ 335,383	$ -	$ -	$ 335,383
Break Out	$ (63,049,427)	$ -	$ -	$ (63,049,427)

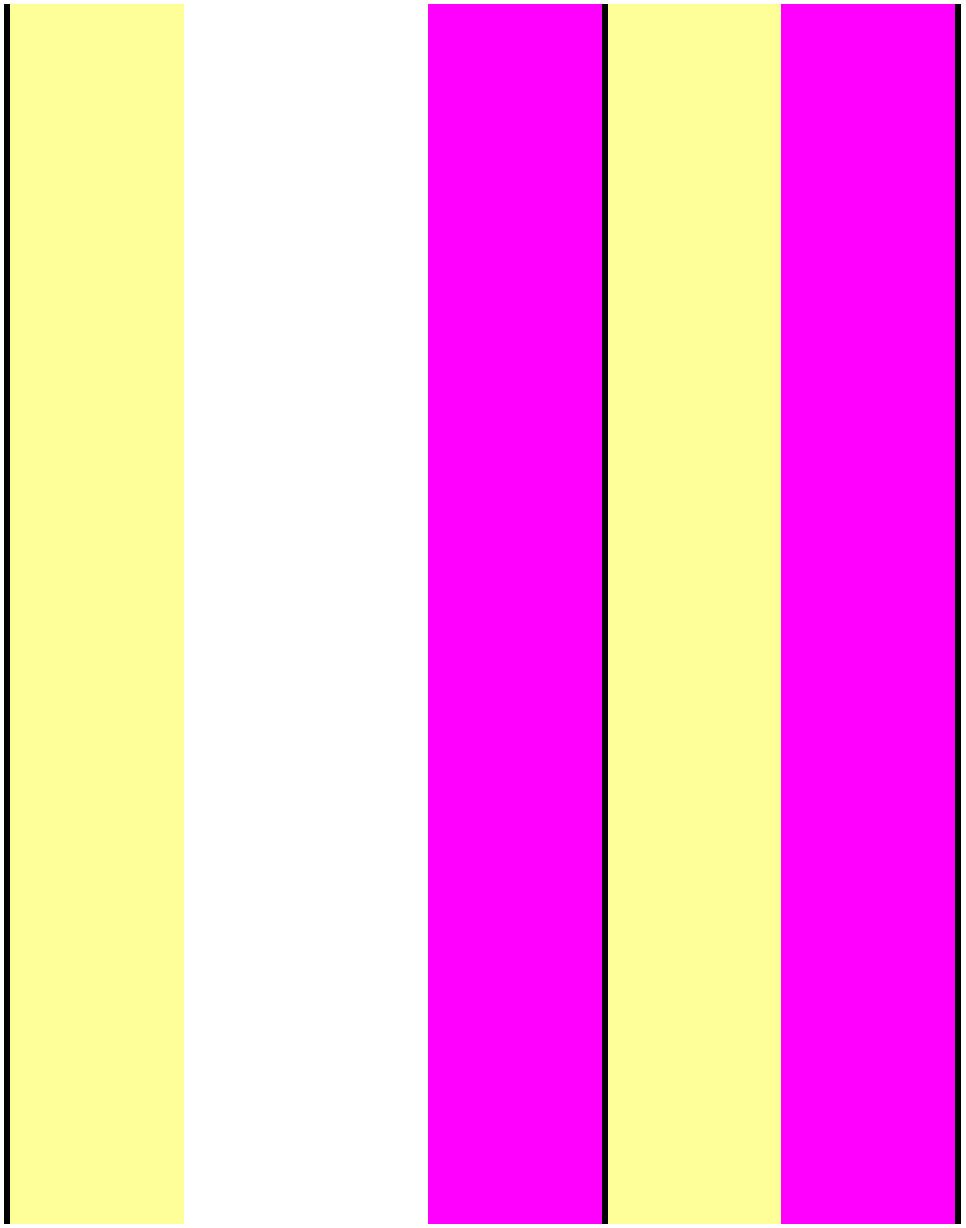
CCA	$ -	$ -	$ -	$ -
CDMPP	$ 400,000	$ -	$ -	$ 400,000
CEN	$ 12,073,504	$ -	$ -	$ 12,073,504
CEN EWMP	$ 69,974,425	$ -	$ -	$ 69,974,425
CREV	$ (17,624,988)	$ -	$ -	$ (17,624,988)
CWCS	$ -	$ -	$ -	$ -
CWMC	$ 7,674,556	$ -	$ -	$ 7,674,556
CWMR	$ 160,098	$ -	$ -	$ 160,098
CWNB	$ 316,153	$ -	$ -	$ 316,153
DCP	$ 632,616	$ -	$ -	$ 632,616
LPHA	$ (200,532)	$ -	$ -	$ (200,532)
LTNCP	$ 15,508,716	$ -	$ -	$ 15,508,716
NFA	$ 1,089,657	$ -	$ -	$ 1,089,657
NFA ECC	$ 8,160,294	$ -	$ -	$ 8,160,294
O&M	$ 5,429,752	$ -	$ -	$ 5,429,752
PNCP	$ 40,066,307	$ -	$ -	$ 40,066,307
SNCP	$ 34,155,657	$ -	$ -	$ 34,155,657
TCP	$ -	$ -	$ -	$ -
Total	**$ 116,616,204**	**$ -**	**$ -**	**$ 116,616,204**

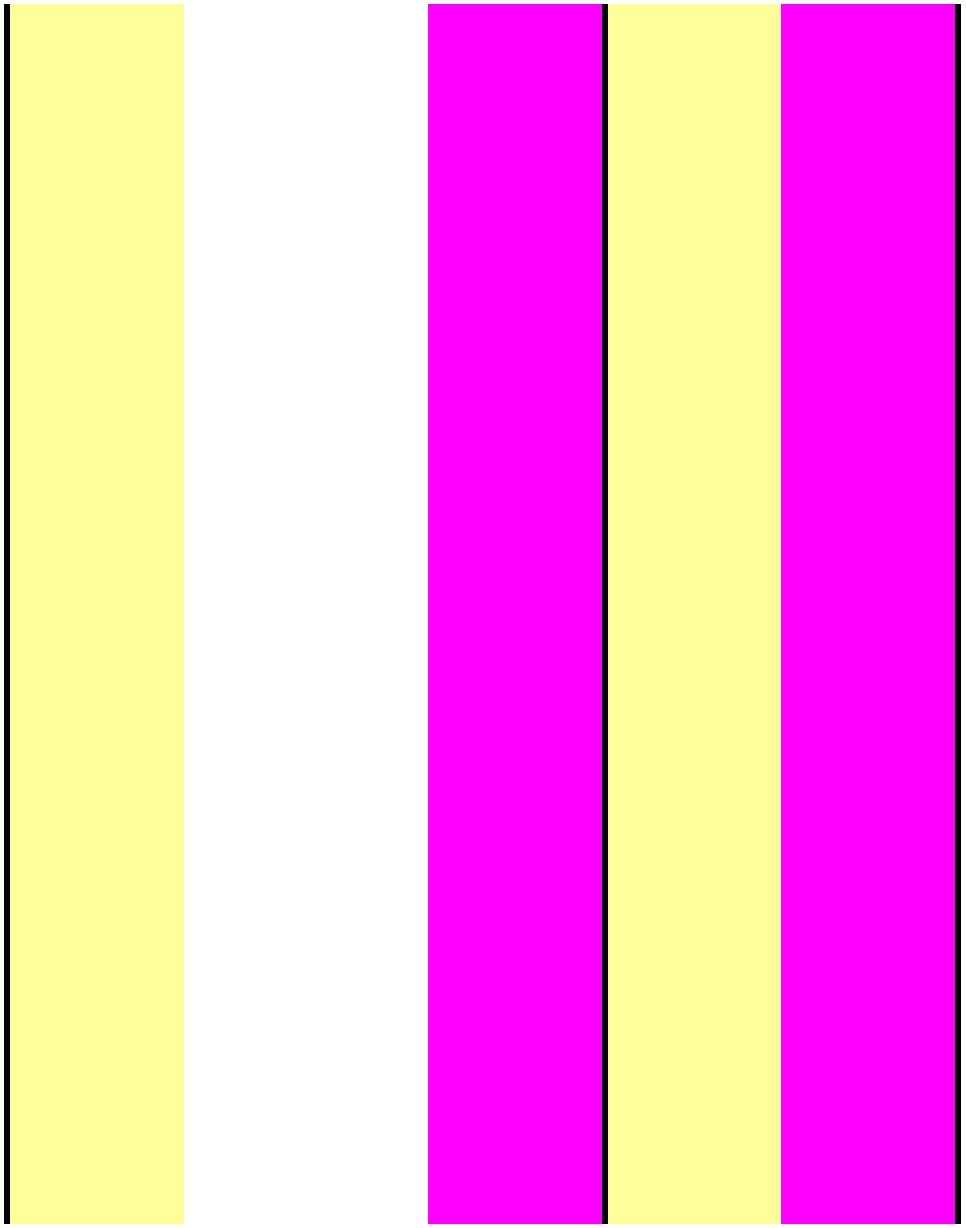
Excluded	**Included**	Balance in O5	Difference	Balance in O4 Summary	Difference

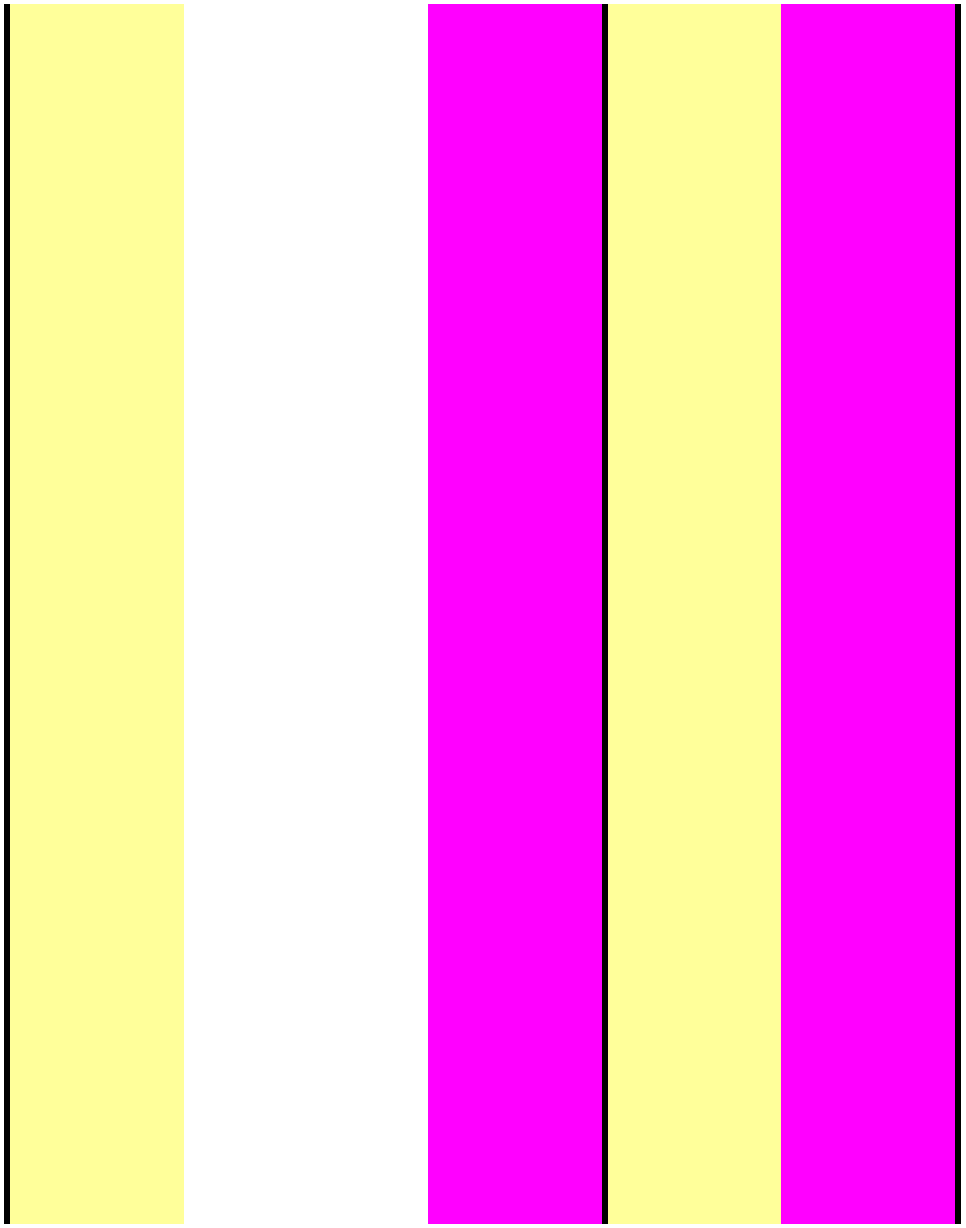


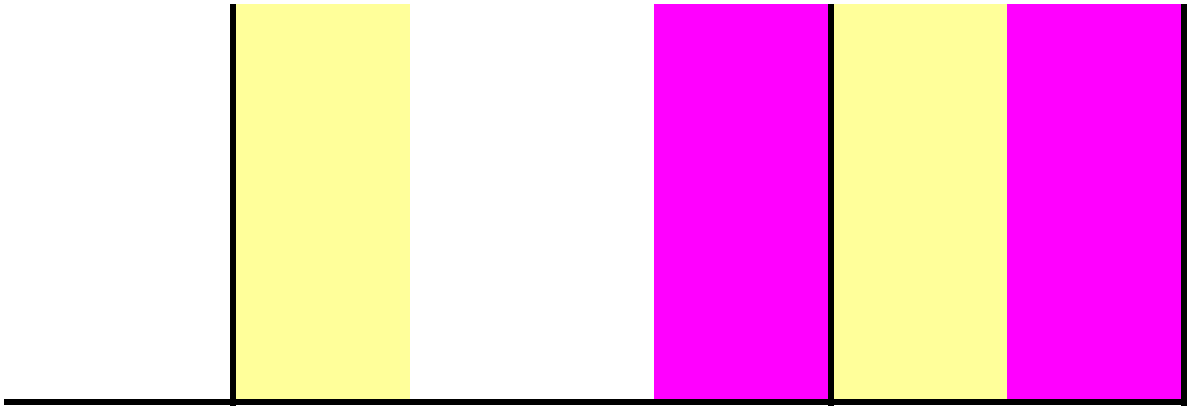












$0 **$116,616,204**	##########	**$116,616,204**	**$0**	##########	**($1)**

Balance in O5	Difference	Balance in O4 Summary	Difference
$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -
$ 52,421	$ -	$ 52,421	$ -
$ 135,136	$ -	$ 135,136	$ -
$ -	$ -	$ -	$ -
$ 21,284	$ -	$ 21,284	$ -
$ -	$ -	$ -	$ -
$ 289,348	$ -	$ 289,348	$ -
$ -	$ -	$ -	$ -
$ 30,540	$ -	$ 30,540	$ -
$ 48,321	$ -	$ 48,321	$ -
$ 756,996	$ -	$ 756,996	$ -
$ 179,986	$ -	$ 179,986	$ -
$ -	$ -	$ -	$ -
$ 335,383	$ -	$ 335,383	$ -
$ (63,049,427)	$ -	$ (63,049,427)	$ (1)

$	-	$	-	$	-	$	-
$	400,000	$	-	$	400,000	$	-
$	12,073,504	$	-	$	12,073,504	$	-
$	69,974,425	$	-	$	69,974,425	$	-
$	(17,624,988)	$	-	$	(17,624,988)	$	-
$	-	$	-	$	-	$	-
$	7,674,556	$	-	$	7,674,556	$	-
$	160,098	$	-	$	160,098	$	-
$	316,153	$	-	$	316,153	$	-
$	632,616	$	-	$	632,616	$	-
$	(200,532)	$	-	$	(200,532)	$	-
$	15,508,716	$	-	$	15,508,716	$	-
$	1,089,657	$	-	$	1,089,657	$	-
$	8,160,294	$	-	$	8,160,294	$	-
$	5,429,752	$	-	$	5,429,752	$	-
$	40,066,307	$	-	$	40,066,307	$	-
$	34,155,657	$	-	$	34,155,657	$	-
$	-	$	-	$	-	$	-
$	**116,616,204**	**$**	**-**	**$**	**116,616,205**	**$**	**(1)**