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October 4, 2011

BY RESS & COURIER

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor, P.O. Box 2319
TORONTO, ON M4P 1E4

**Re: EB-2011-0167
Festival Hydro Inc. 2012 3rd Generation IRM Rate Application**

Dear Ms. Walli,

Attached are two copies of Festival Hydro's Application for Electricity and Distribution Rates and charges effective May 1, 2012 (EB-2011-0167). Our filing was due September 30, 2011. A letter of extension was submitted that day to the Board advising of the delay in Festival's filing, with a commitment to be filed by no later than Tuesday, October 4, 2011.

The enclosure consists of the Manager's Summary and the following related IRM 3 Work forms:

- 2012 IRM3 Rate Generator Model
- 2012 IRM3 Revenue Cost Ratio Adjustment Workform
- 2012 IRM3 RSTR Adjustment Workform
- 2012 IRM3 Shared Tax Savings Workform
- 2001 to 2005 SIMPILs Models

The completed 2012 Rate Application and Workforms were submitted today via the Ontario Energy Board's RESS system.

If you have any questions please contact me at the number noted below or by email at bzehr@festivalhydro.com.

Yours truly,
Festival Hydro Inc.
ORIGINAL SIGNED BY W.G. ZEHR

W.G. Zehr, President
Tel (519) 271-4703 x. 243

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 Festival Hydro Inc.
for an Order or Orders approving of fixing just and reasonable rates
and other charges for the distribution of electricity to be effective
May 1, 2012.

Manager's Summary

Introduction

Festival Hydro Inc (Festival) hereby applies to the Ontario Energy Board (the "Board") for an order or orders approving its proposed electricity distribution rates to be effective May 1, 2012, pursuant to Section 78 of the *Ontario Energy Board Act, 1998*.

The 2012 IRM application has been completed in accordance with the updated guidelines of Chapter 3 of the *Board's Filing Requirements for Transmission and Distribution Applications* dated June 22, 2011, the *Board's report on Electricity Distributors Deferral and Variance Account Review Initiative* issued July 31, 2009, and the *Electricity Distribution Retail Transmission Service rates Guideline*, Revision 3.0, dated June 22, 2011.

Festival Hydro has utilized the Excel Workforms as provided by the Board. The individual models being filed as part of the IRM 3 Model include:

- 2012 IRM3 Rate Generator
- 2012 IRM3 Shared Tax Savings Workform
- 2012 IRM3 Revenue Cost Ratio Adjustment Workform
- 2012 IRM3 RTRS Adjustment Workform
- 2001 to 2005 SIMPILs Models

Festival is not applying for an Incremental Capital Rate Rider or a Renewable Generation Rate Rider, so the related work forms will not be filed.

In addition to the Application and supplementary PILs documentation, Festival Hydro submitted Excel versions of all models, including the SIMPILs models, via the OEBs RESS system.

In accordance with the OEB Decision EB-2008-0381 issued June 24, 2011, Festival Hydro has completed its true-up reconciliation of USoA Account # 1562 Deferred Payments in Lieu of taxes (PILs). The updated SIMPILs models for the years 2001 to 2005 have been filed as part of the Application along with the additional supporting documentation as requested in EB-2008-0381.

Festival Hydro distributes electricity to approximately 19,500 customers residing in the City of Stratford, and the surrounding towns of St. Marys, Seaforth, Brussels, Dashwood, Hensall and Zurich. Festival intends to publish the Notice of Application in the Stratford Gazette, which is a Stratford based no-paid subscription newspaper with a circulation of approx. 13,000 delivered to all households within the City. Festival will also publish the Notice in the St. Marys Journal Argus and the Seaforth Huron Expositor, both with a paid circulation of 3,400 and 2,050, respectively. This should provide adequate circulation coverage within Festival's service area.

Proposed Rate Adjustments

The May 1, 2012 proposed Tariff of Rates and Charges is presented in the attachments to this document. Festival seeks approval from the Board for a number of adjustments to its current rates approved May 1, 2011 (EB-2010-0083). It also seeks approval for the continuation of a number of existing rates and charges.

The requested adjustments\continuation of rates and charges are as follows:

1. Approval of a price cap adjustment.
2. Continuation of the 2011 smart meter rate adder of \$1.52 as approved in EB-2010-0083.
3. A rate rider for proposed tax changes to reflect changes in Federal and Provincial Rates as calculated in the Shared Tax Savings Workform.
4. Revenue to cost ratio adjustments in accordance with the Board's Decision and Order EB-2009-0263.
5. Approval of 2012 deferral and variance rate rider for the disposition of the balances in account # 1521 Special Purpose Charge and # 1562 Deferred PILS.
6. The continuation of the 2010 deferral and variance account rate riders as approved in EB-2009-0263.

7. Approval of a 2012 LRAM/SSM Rate Rider to recover the loss of distribution revenue due to CDM activities occurring in 2010.
8. Continuation of the 2011 approved LRAM/SSM Rate Riders (EB-2010-0083) to recover the loss of distribution revenues due to Conservation and Demand Management (CDM) activities occurring from 2005 to 2009.
9. Proposed adjustments to the existing retail transmission service rates (RTSR) as calculated in the RTRS Adjustment Workform.
10. Cease the recovery of the late payment penalty litigation costs rate rider approved by the Board effective May 1, 2011 under EB-2010-0083.
11. The continuation of existing Low Voltage Charges, Wholesale Market Rates, Specific Service Charges, Retail Service Charges, Loss Factors, Transformer & Primary Metering Allowances and MicroFIT Generator Service Charge, as approved in EB-2009-0263.
12. Continuation of the current customer rate classes as approved in EB-2009-0263.
13. Establish a Foregone Revenue Rate Rider in the event the Board is unable to provide a decision and order for rates effective May 1, 2012.

Details to support the requested adjustments are provided in the Board IRM3 Work forms. All workforms have been completed as provided by the Board.

Analysis of Factors Impacting Proposed Rate Adjustments

Outlined below are the factors taken into consideration when determining the rate adjustments for which Festival Hydro is seeking approval effective May 1, 2012.

1. Price Cap Index Adjustment

Festival has used the IRM3 Rate Generator Model to calculate an interim price cap adjustment, which for Festival Hydro results in a net increase of 0.18%, calculated as follows:

Inflation Factor (GDP-IPI)	1.30%
Less: Productivity Factor	(0.72%)
Less: Stretch Factor	(0.40%)
Interim Price Cap Adj.	0.18%

Festival understands that the Board will update the price escalator in the Rate Generator model upon the publication of the 2011 GDP-IPI by Statistic Canada.

Additionally, the Board will update the stretch factor should the groupings of the distributor-specific stretch factors be revised by the Board.

2. Smart Meter Funding Adder and Disposition Rider

Festival was approved a 2011 Smart Meter Rate Disposition Adder of **\$1.52** to be collected over a one year period commencing May 1, 2011. In the Board's document dated June 22, 2011, Chapter 3 of the filing requirements for transmission and distribution applications, it states in section 3.5 that "The Board also approved a sunset date of April 30, 2012 for the smart meter funding adder for most distributors in their 2011 rate application". As Festival Hydro did not receive direction in our 2011 Decision and Order EB-2010-0083 regarding a sunset date for our smart meter rate adder, Festival requests that the Board allow continuation of the existing rate adder of \$1.52 approved under EB 2010-0083.

Festival is not scheduled to commence time of use (TOU) billing until May 2012. Festival will submit a stand-alone application for a prudence review of smart metering costing after the May 1, 2012 implementation of TOU pricing is complete. Though most costs have been incurred to date, there may be additional costs arise prior to implementation date which should be included in the total costing. As such Festival is requesting that the Board approve continuation of the existing \$1.52 smart meter adder until such time as the Board approves a rate rider arising from the prudence review.

3. Changes in the Federal and Provincial Income Tax and Capital Tax Rates

The Board previously determined that the impact of currently known tax changes should be reflected in rates using a 50/50 sharing model.

In 2012, the overall corporate income tax rate is expected to decrease from a statutory rate of 28.25% to 26.25%, in addition to changes in the rules related to the small business rates. The Ontario Capital Tax was eliminated effective July 1, 2010. These tax changes create incremental tax savings of \$239,903. The amount to be retained by Festival is \$119,951.

Festival has used the IRM 3 Shared Tax Savings Workform to determine the resultant proposed rate rider for the period May 1, 2012 to April 30, 2013. In order to maintain a simplified and consistent approach, Festival proposes to apply the calculated rate riders proportionately across all customer classes based on Festival's 2010 COS determined distribution revenue by class.

4. Revenue to Cost Ratios Adjustments

As part of Festival's 2010 Rate application EB- 2009-0263, Festival Hydro agreed to a systematic approach to mitigate outliers so all rate classes will be within the Board's targeted ranges by the end of the 2013 rate year.

Festival Hydro's 2010 COS Decision and Order EB-2009-0263 contain the following Board Finding: "The Board accepts the proposal to:

- Move the ratio for street light and sentinel light classes half way to the Board's lower target of 70% and move to ratios of 70% by 2012;
- Move the ratio of GS> 50 kW customers to 80%
- Move the ratio for USL customers to 120%
- A proposed revenue to cost ratio of 82.65 for Residential Hensall customers in 2010, and the proposed ratios for 2011, 2012 and 2013 noting that rate impacts for 250kWh customers will not exceed 10% in these three years."

As part of the 2011 IRM, Festival Hydro received approval from the Board in EB-2010-0083 to implement the first year phase of proposed adjustments, as noted in Column B in the table below. This first phase moved street lighting and sentinel lighting half way toward their 70% lower target; moved USL customers down to 120%, and Residential Hensall customers to 82.65%.

For the 2012 rate year, Festival requests the Board approve the 2nd year phase of adjustments as noted in Column D of the table below. With these adjustments, both street lighting and sentinel lights will reach the 70% minimum target, and Hensall Residential will have moved its second step closer to rate harmonization.

Revenue to Cost Adjustments as approved in EB-2009-0263

Change to be applied as part of 2012 IRM Application EB-2011-0167

Customer Class	2010 Adjusted Rev Cost Ratio per COS EB-2009-0263 (Column A)	2011 Adjusted Rev Cost Ratio per EB-2010-0083 (Column B)	2012 Proposed Rev Cost Ratio per EB-2009-0263 (2010 COS) (Column C)	2012 Proposed Rev Cost Ratio per EB-2011-0167 (2012 IRM) (Column D)	Difference from EB-2009-0263 (Column D-C)	OEB Target Range
Residential	106.84%	106.66%	106.45%	106.46%	0.01%	85-115%
Residential - Hensall	82.65%	91.00%	99.00%	99.00%	0.00%	85-115%
GS < 50 kW	114.19%	113.13%	112.03%	112.03%	0.00%	80-120%
GS >50	81.39%	81.39%	81.31%	81.39%	0.08%	80-180%
Large Use	114.22%	113.13%	112.03%	112.03%	0.00%	85-115%
Sentinel Lights	50.52%	60.00%	70.00%	70.00%	0.00%	70-120%
Street Lighting	51.30%	60.60%	70.00%	70.00%	0.00%	70-120%
USL	120.00%	120.00%	120.00%	120.00%	0.00%	80-120%

Column C in the table above shows the proposed 2012 Revenue to Cost ratios which were approved in the 2010 Rate application under EB-2009-0263. Column

D are the ratios we are proposing in this rate application, EB-2011-0167. As indicated in Column E, the only class ratio in EB-2011-0167 which does not agree to the EB-2009-0263 is the G.S. > 50 kW class, in which Festival chose to keep the ratio the same at 81.39% rather than adjusting downward to 81.31%. Also, residential is different by .01%. This is the class where the small re-balancing amount (\$10,805) was assigned in the workform.

Harmonization of Hensall Residential rates is being achieved through phased revenue to cost adjustments. As reported in the Board's Decision EB-2009-0263, the Board approved the "proposed ratios for 2011, 2012 and 2013 noting that the rate impacts for 250kWh customers will not exceed 10% in these three years." As illustrated in the rate impact table in the attached Appendix, distribution charges for a 250 kWh customers will be changing by 8.8% (total bill impact of 4.4%), which is within the OEBs requirement.

Deferral and Variance Account Rate Riders

Festival is requesting the Board consider the disposition of Group 1 Deferral and Variance Accounts, US0A Acct# 1521 Special Purpose Charge Variance account and USoA Acct # 1562 Deferred PILs as outlined in detail below:

1. Group 1 Deferral and Variance Accounts

The report of the Board on *Electricity Distributor's Deferral and Variance Account Review Report* (the EDDVAR Report) provides that during the IRM period, a distributor's Group 1 audited account balances will be reviewed and disposed if the pre-set disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. As calculated on Tab 10 in the 2012 rate Generator Model, Festival's net amount being requested for disposition totals, excluding # 1521 and #1562, \$57,867 for Group 1 Deferral and Variance Accounts, which equates to less than .0001 per kWh. Being this amount is below the pre-set disposition of .0001 per kWh, Festival's Group 1 Deferral and Variance Account balances are not eligible for disposition.

Tab 9 Deferral and Variance Account Continuity Schedule has been updated to reflect the approved and disposition of December 31, 2008 deferral and variance account as part of 2010 COS Application. Upon transfer of balances to Acct 1595, there were slight differences in the amount of interest projected compared to the amount projected in the 2010 COS model. These differences have been recorded in Column BN Adjustments during 2010- Other on Tab 9.

Projected interest for 2011 and 2012 has been calculated using the current prescribed rate of 1.47% in Tab 9.

2. USoA # 1521 Special Purpose Charge Variance Account

Festival is requesting a rate rider be established for the disposition of the residual balance of the Special Purpose Charge Variance Account USoA # 1521, in accordance with the Filing Requirements 3.1.1. Distributors have been instructed that they must apply no later than April 15, 2012 for an order to authorize the disposition of any residual amounts in USOA account # 1521 Special Purpose Charge Variance account, as outlined in Section 8 of Regulation 66/10. The balance in # 1521 is to be allocated to each rate class based on the customer class kWh as approved in the most recent COS Rate application.

Festival collected the rate rider from customers beginning in May 2010 for a one year period. Account # 1521 as at the end of December 2010 had a balance of \$114,016 as reported in Festival's RRR. At the end of August 2011, the remaining balance for recovery is principal of \$5,657 and accrued interest of 1,488 for a total of \$7,145. To get the principal balance at Dec 31, 2010 to agree to Festival's requested principal recovery of \$5,657, Festival has input \$(107,349) into the "Other Adjustments during 2010- Q4" column to get the spreadsheets to roll forward properly. Total projected claim (principal and interest) to April 30, 2012 is \$7,216.

3. USoA Acct # 1562 Deferred PILs

Festival is requesting the disposition of USoA Acct # 1562 Deferred PILs as directed in the Board's Decision EB-2008-0381 issued June 24, 2011. Festival certifies that it has followed the OEB Decision and has updated the SIMPIL models using the OEB approved Halton Hills model.

The table below provides the PILs continuity schedule for the period December 31, 2001 to April 30, 2006. Festival's Acct # 1562 Deferred PILs recalculated balance at April 30, 2006 totals \$96,734, consisting of principal of \$(7,495) and interest of \$104,228.

Tab 9 Deferral and Variance Account Continuity Schedule has been updated to reflect the revised balances as calculated in the updated SIMPILs models and changes made by Festival Hydro to its interest and recovery amounts. These changes are detailed in Festival's Continuity of Interest and Recoveries spreadsheets, which are included in the attached Appendix.

The December 31, 2010 balance in # 1562 Deferred PILs as originally reported in RRR totaled \$20,138, consisting of Principal of \$(53,582) and Interest of \$73,720. This compares to the recalculated balance at December 31, 2010 of \$95,712, consisting of Principal of \$(7,495) and Interest of \$103,207.

PILs TAXES - EB-2011-0167

Analysis of PILs Tax Account 1562:

Utility Name: Festival Hydro Inc

Reporting period: 2005

Version 2009.1

0

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	370,962	454,242	467,526	362,249	253,643	0
Board-approved PILs tax proxy from Decisions (1)	+/- 370,962	1,226,571	1,597,533	1,226,571	306,643	417,610	5,145,890
PILs proxy from April 1, 2005 - input 9/12 of amount					939,623		939,623
True-up Variance Adjustment Q4, 2001 (2)	+/-						0
True-up Variance Adjustment (3)	+/-		-9,294	-11,921	-4,896	-48,753	-74,864
Deferral Account Variance Adjustment Q4, 2001 (4)							0
Deferral Account Variance Adjustment (5)	+/-			-55,404	-115,031	-11,111	-181,546
Adjustments to reported prior years' variances (6)	+/-						0
Carrying charges (7)	+/- 0	39,005	28,569	19,554	13,584	3,516	104,228
PILs billed to (collected from) customers (8)	- 0	-1,182,296	-1,603,524	-1,284,077	-1,248,528	-518,171	-5,836,597
Ending balance: # 1562	370,962	454,242	467,526	362,249	253,643	96,734	96,734

The updated SIMPILs models for 2001 to 2005 and related supporting documentation as requested under EB-2008-0381 are attached, which include the original SIMPL models, excerpts from the approved rate application models, copies of approved rate orders, copies of tax returns and audited financial statements .

The table below provides the proposed 2012 Deferral and Variance rate riders to recover the balances in # 1521 Special Purpose Charge and #1562 Deferred PILs, as calculated on Tab 9 of the Rate Generator Workform. Festival requests this rate rider be collected over a one (1) year period, commencing May 1, 2012. Festival also requests the continuation of the 2010 Deferral and Variance Account rate riders to be collected over a remaining 2 year period, as approved in EB-2009-0263.

2012/2010 Deferral and Variance Rate Riders

Customer Class	2012 Proposed Deferral & Variance Rate Rider	2010 Approved Deferral & Variance Rate Rider per EB-2009-0263	Net impact of combined rate riders	kWh/kW
Residential	0.0005	(0.00090)	(0.00041)	kWh
Residential - Hensall	0.0003	(0.00100)	(0.00067)	kWh
GS < 50 kW	0.0003	(0.00100)	(0.00068)	kWh
GS >50	0.0048	(0.35080)	(0.34602)	kW
Large Use	0.0436	(0.45070)	(0.40710)	kW
USL	0.0006	(0.00080)	(0.00016)	kWh
Sentinel Lights	0.1230	(0.38810)	(0.26515)	kW
Street Lights	0.1089	(0.27510)	(0.16623)	kW

5. Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) Recovery Rate Rider

Festival Hydro has implemented a number of successful conservation programs, starting in 2005 through the use of 3rd tranche funding and subsequently in 2008 in conjunction with the Ontario Power Authority. Festival seeks approval for the recovery of 2010 LRAM spending as part of its 2012 IRM filing EB-2011-0083. Festival filed for LRAM/SSM recovery for the years 2005 to 2009 as part of its 2011 IRM Rate Application.

On May 31, 2004, the Ministry of Energy granted approval to all electricity distributors in Ontario to apply to the Board for adjustments to their 2005 electricity rates that would enable them to recover the third tranche of their incremental market adjusted revenue requirement. The approval was conditional on the LDC investing an equivalent amount in Conservation and Demand Management (CDM) initiatives. The CDM plans for Festival were approved by the Board with third tranche funding of \$660,343.

In the 2011 IRM rate application, Festival Hydro submitted an LRAM claim for \$459,010.83, based on results (input assumptions) validated by the OPA up to the end of 2009, and for combined CDM program efforts undertaken between 2006 and 2009. In 2010, the finalized 2009 OPA published program evaluations were used for LRAM calculations in Festival Hydro's 2011 rate submission since this represented the most current information and basis for input assumptions available at the time.

The LRAM claim made in 2010 did not incorporate energy and peak savings beyond what was attributable to 2009 programs up to the end of 2009.

Calculations in this claim continue to utilize persistent 2009 program evaluation results into 2010.

The Board introduced a process outlined in the March 28, 2008 Guidelines for Electricity Distributor Conservation and Demand Management EB-2008-0037 for rate based application to recover revenue lost due to customer energy conservation, and to share in gains from effective CDM programs. In accordance with the report, Festival's LRAM request includes only customer-side activities. Festival has calculated energy savings by customer class and valued those savings by the Board approved distribution charge appropriate to each class, as required by the Report.

In accordance with the Report of the Board on the Regulatory Framework for CDM by Ontario Electricity Distributors 2007 and Beyond, the Board concluded "that distributors will be expected to undertake program evaluations, and to provide results to the Board that have been reviewed by a third party." Festival contracted Burman Energy Consultants Group Inc. to conduct an independent review of its third tranche CDM and OPA initiated programs. The principal, Bart Burman, has the breadth and depth of experience in the evaluation of CDM program performance and regulatory reporting which includes:

- Preparation of LRAM and SSM business cases or third party evaluation for over 20 LDCs since 2007
- Originator of a TRC calculator tool that automated TRC calculations based on Board assumptions and tables.
- One of the largest third-party evaluator of Electricity Retrofit Incentive Initiative (ERII) project evaluations

A copy of Burman Energy's final LRAM Report dated September 29, 2011 is attached as Appendix.

All results are net of free ridership. For all programs/projects the most recently published OPA assumptions and measures list were used in the LRAM calculations in order with the Board's directive letter, Conservation and Demand Management input Assumptions EB-2008-0352 and consistent with the Decision and Order for Horizon Utilities Corporation.

Festival has prepared its 2012 IRM LRAM rate rider request using the results of Burman Energy's analysis. Burman Energy has calculated Festival's LRAM claim for 2010 for OPA sponsored programs to be \$191,653.

Festival proposes a new LRAM Recovery rate rider for recovery, to be implemented May 1, 2012, with recovery over a two year period so as to minimize the monthly bill impact to customers. The table below summarizes the impact of the proposed LRAM, net of HST, for each customer class.

Festival requests the Board approve the continuation of the 2010 Deferral and variance rate rider, which has a 2 year recovery period remaining.

2012 IRM LRAM & SSM Totals - By Rate Class

	LRAM \$	SSM \$	TOTAL \$
Third Tranche			
RESIDENTIAL	21,037.69	-	21,037.69
GENERAL SERVICE 50 TO 4,999 Kw	-	-	-
OPA Programs			
RESIDENTIAL	88,114.24		88,114.24
GENERAL SERVICE <50KW	65,922.52		65,922.52
GENERAL SERVICE >50KW	15,748.64		15,748.64
LARGE USE	829.63		829.63
	191,652.72	-	191,652.72

Determination of LRAM/SSM Rate Rider

Rate Class	LRAM/SSM Amount	2010 Cost kWh Allocators	2010 Cost kW Allocators	LRAM/SSM Rate rider over 2 years	kWh/kW
Residential	106,041.10	141,132,375		0.0004	kWh
Residential - Hensall	3,110.83	4,143,109		0.0004	kWh
GS < 50 kW	65,922.52	67,469,308		0.0005	kWh
GS >50 kW to 4,999 kW	15,748.64	316,941,804	797,792	0.0099	kW
Large Use	829.63	65,544,852	128,687	0.0032	kW
USL	-	629,732		-	kWh
Sentinel Lights	-	234,690	679	-	kW
Street Lighting	-	3,904,130	11,255	-	kWh
Totals	191,653	600,000,000	938,413		

6. Transmission Network and Connection Rate (RTRS) Adjustments

Festival has followed the *Electricity Distribution Retail Transmission Service rates Guideline*, Revision 3.0, dated June 22, 2011 when completing the Board's supplied 2012 IRM3 RTRS Adjustment Workform. Festival requests that the proposed adjustment in the table below be approved by the Board, with the understanding that the Uniform Transmission rates (RSTRs) used in the IRM 3 Workform are subject to update by the Board in the event the Uniform Transmission Rates are changed effective January 1, 2012.

When completing the Tab. 4 RRR data in the 2012 RTRS Adjustment Workform, it was discovered that Festival's billed kW in the RRR was incorrectly reported for 2010. 2009 values were reported a second time in 2010. The Board has been advised of this error under separate cover. Below is a table which shows the original reported kW billed to the corrected amounts.

The kWh amounts reported in model agree to the RRR filing of 573,326,732 kWh. In addition, the dollar amounts for Network and Connection Charges in the model agree to the December 31, 2010 balances as reported for USoA accounts # 4714 Network Charges and #4716 Connection Charges in the RRR.

Correction to 2011 kW

Customer Class	2010 kW Billed Reported in RRR	Corrected 2010 kW Billed Reported to OEB
GS >50 Non-Interval		126,923
GS >50 Interval		698,113
Total G.S. > 50 kW	829,669	825,036
Large Use	109,729	98,358
Sentinel Lights	10,878	10,947
Street Lights	623	623
Total kW billed	950,899	934,964

The tables below provides a comparison of the 2011 existing RTRS approved rates (per EB-2009-0263) to the 2012 proposed rates as determined by the model:

Proposed Transmission Network Rates

Customer Class	2011 Approved Network Rate per EB-2010-0083	2012 Proposed Network Rate	Increase in Rates	kWh/kW	% Increase
Residential	0.0058	0.0061	0.0003	kWh	5%
Residential - Hensall	0.0058	0.0061	0.0003	kWh	5%
GS < 50 kW	0.0050	0.0053	0.0003	kWh	6%
GS >50 kW	2.0938	2.2155	0.1217	kW	6%
GS >50 kW, Interval Metered	2.2238	2.3530	0.1292	kW	6%
Large Use	2.4624	2.6055	0.1431	kW	6%
USL	0.0050	0.0053	0.0003	kWh	6%
Sentinel Lights	1.5871	1.6793	0.0922	kW	6%
Street Lights	1.5791	1.6709	0.0918	kW	6%

Proposed Transmission Connection Rates

Customer Class	2011 Approved Network Rate per EB-2010-0083	2012 Proposed Network Rate	Increase in Rates	kWh/kW	% Increase
Residential	0.0047	0.0049	0.0002	kWh	4%
Residential - Hensall	0.0047	0.0049	0.0002	kWh	4%
GS < 50 kW	0.0042	0.0043	0.0001	kWh	2%
GS >50 kW	1.6784	1.7357	0.0573	kW	3%
GS >50 kW, Interval Metered	1.8405	1.9028	0.0623	kW	3%
Large Use	2.1047	2.1759	0.0712	kW	3%
USL	0.0042	0.0043	0.0001	kWh	2%
Sentinel Lights	1.3251	1.3700	0.0449	kW	3%
Street Lights	1.2979	1.3418	0.0439	kW	3%

7. Rate Rider or Z-Factor Treatment for Recovery of Late Payment Penalty Litigation Costs

As part of the 2011 rate application, Festival received approval to recover the one-time expense in the amount of \$87,491. The rate rider was applied for a one year period commencing in May 2011. With full recovery complete, Festival has not included a rate rider in this application.

Outstanding Board Directives

Festival filed a Cost of Service “(COS)” rate application effective May 1, 2010 (EB-2009-0263), resulting in rates being approved by the Board and implemented as of that date. Festival has complied with all of the Board Findings and Directives as presented in the Decision and Order issued April 1, 2010 (EB-2009-0263). The only remaining EB-2009-0263 Directive matter relates to Revenue to Cost ratio adjustments. In 2011, the 1st phase of Revenue to Cost ratio adjustments was completed under EB-2010-0083. The remaining 2 phases are being completed as part of the 2012 (EB-2011-0167) and 2013 IRM3 rate application filings.

In Festival Hydro’s 2011 Decision and Order EB-2010-0083, with regard to a separate rate rider for Global Adjustment applicable to non-RPP customers only, the Board directed Festival Hydro as follows:

“The Board notes that Festival Hydro received approval from the Board in its 2010 IRM decision (EB-2009-0263) to collect the 2008 global adjustment sub-account balance from all customers due to Festival Hydro’s inability to charge a separate rate rider to non-RPP customers only. The Board stated that Festival Hydro should “make efforts to determine the cost of system enhancement and provide this information in a future rate application. In response to Board staff interrogatories, Festival Hydro indicated that it has not made any progress to implement a separate rate rider that would prospectively apply to non-RPP customers, as stipulated by the Board.

The Board directs Festival Hydro to determine the cost of system enhancements required to implement a separate rate rider that would prospectively apply to non-RPP customers. Festival Hydro is required to file its determination of the cost of system enhancement in conjunction with its next rates proceeding. The Board reminds Festival Hydro that “application” can refer to both an IRM as well as cost of service application.”

Festival Hydro has corresponded with its software provider on this matter. Festival will be making upgrades to its billing software in 2012-13 after smart meters are fully implemented in May 2012. At that time, Festival will upgrade the system to be capable of applying the global adjustment rate rider solely to non-RPP customers. The amount for the cost of the upgrade is not expected to be substantial and will be absorbed within Festival’s existing cost structure. Since Festival Hydro does not have a claim for Group 1 Deferral and Variance accounts in this application, Festival will plan to have the system in place to accommodate a separate rate rider for May 1, 2013.

Continuation of Rates and Charges approved effective May 1, 2011 under EB-2009-0263

Festival requests the Board's approval for the continuation of the following rates and service charges, which were first approved as part of EB-2009-0263. Festival has reviewed these rates and charges as part of the 2012 IRM application and has determined there is no need to request a change at this time. These rates have been used in preparation of the 2012 IRM Rate Generator model.

Continuation of the following rate and charges are requested:

- Low Voltage Charges
- Wholesale Market and Rural Rate Assistance Rates
- MicroFIT Generator Service Charge of \$5.25 monthly
- Standard Supply Administration Charge of \$0.25
- Specific Service Charges
- Retail Service Charges
- Loss Factors
- Transformer and Primary Metering Allowances

Proposed Rates and Rate Tariff Sheet

Festival requests the Board approve the Monthly Rates and Charges to be effective May 1, 2012, as set out on the attached Tariff of Rates and Charges Sheet, as determined in the IRM Rate Generator model- Sheet N.1.1. Festival also requests a Foregone Revenue Rate Rider be approved by the Board in the event the Board is unable to provide a decision and order for rates effective May 1, 2012.

Bill Impact Analysis

The table below shows the Total Bill impact of the rate adjustments for a typical customer in each rate class. Large use and G.S.> 50 kW have been shown on this table before the OCEB, as the OCEB does not apply to most customers in this class. Also attached are the bill impact worksheets produced for the 2012 IRM3 Rate Generator. The increases range from a low of (2.8%) for Unmetered Scattered Load (USL) to a high of 4.9 % for Sentinel lights.

The Board approved Revenue to Cost adjustments, as set out in the Board's Decision and Order for EB-2009-0263, were primarily responsible for the increase in rates for the Hensall-Residential (2.9%), Sentinel Lights (4.9% and Streetlighting (2.2%). The 2.8% reduction for USL is primarily due to removal of the \$1.70 Rate Rider for Recovery of Late Payment Penalty Litigation charges. Festival submits to the Board that the increases as proposed are fair and reasonable.

2012 IRM Rate Application

Bill Impact for Typical Festival Hydro Customers

Customer Class	2011 Distribution Charge	2012 Proposed Distribution Charge	Dollar Change	% Change	2011 Total Bill	2012 Total Bill	Dollar Change	% Change
Residential, 800 kWh	29.42	29.68	0.26	0.9%	109.66	110.34	0.68	0.6%
Residential - Hensall, 800 kWh	24.57	27.16	2.59	10.5%	104.73	107.78	3.05	2.9%
GS < 50 kW, 2000 kWh	58.22	58.59	0.37	0.6%	263.84	265.06	1.22	0.5%
GS >50 to 4,999 kW, Interval, 600 kW, 270,000 kWh	1,433.21	1,426.86	(6.35)	-0.4%	33,119.99	33,242.64	122.65	0.4%
Large Use, 5000 kW, 2,500,000 kWh	14,717.20	14,651.69	(65.51)	-0.4%	305,549.54	306,686.32	1,136.78	0.4%
USL, 340 kWh	18.41	16.85	(1.56)	-8.5%	52.18	50.73	(1.45)	-2.8%
Sentinel Lights, 126 kWh, 0.36 kW	3.95	4.75	0.80	20.3%	17.47	18.33	0.86	4.9%
Street Lights, 657 kW, 228,000 kWh	1,890.19	1,979.34	89.15	4.7%	26,572.70	27,163.35	590.65	2.2%

Residential - Hensall, 250 kWh

Revenue to Cost Ratio Adjustment not to cause increase in total bill to exceed 10%

Customer Class	2011 Distribution Charge	2012 Proposed Distribution Charge	Dollar Change	% Change	2011 Total Bill	2012 Total Bill	Dollar Change	% Change
Residential - Hensall, 800 kWh	17.42	18.95	1.53	8.8%	41.49	43.18	1.69	4.1%

In the Decision and Order for Festival's 2011 Rate Application, EB-2009-0263, with respect to the Revenue to Cost Adjustment for the Hensall Residential rates, the Board stipulated that the rate adjustments would be acceptable to the Board provided the rate impact to a Hensall Residential 250 kWh customer does not exceed 10%. As shown in the table above, the proposed total bill impact for a 250kWh customer is 4.4%.

Conclusion: Festival submits to the Board that the adjustments to electricity rates and charges as presented in the 2012 IRM3 Rate Application EB-2011-0083 are fair and just rates. The enclosed is respectfully submitted for the Board's consideration.

Yours truly,
Festival Hydro Inc.

Original signed by W.G. Zehr

W. G. Zehr
 President

Attachments:

- A - Proposed Tariff of Rates and Charges
- B - LRAM & SSM Report by Burman Energy Consultants Group Inc.
- C - Bill Impacts
- D - 2012 IRM3 Rate Generator
- E - 2012 IRM3 Shared Tax Savings Workform
- F - 2012 IRM3 Revenue Cost Ratio Adjustment Workform
- G - 2012 IRM3 RTRS Adjustment Workform
- H - SIMPILS Support – 2001 - 2005

Appendix A

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0167

RESIDENTIAL SERVICE CLASSIFICATION

A customer is classed as residential when all the following conditions are met:

- (a) the property is zoned strictly residential by the local municipality,
- (b) the account is created and maintained in the customer's name,
- (c) the building is used for dwelling purposes.

Exceptions may be made for properties zoned for farming use, under the following conditions:

- (a) the principal use of the service is for the residence,
- (b) the service size is 200 amperes or less, and the service is 120/240 volt single phase.

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	14.78
Smart Meter Funding Adder	\$	1.52
Distribution Volumetric Rate	\$/kWh	0.0164
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2012	\$/kWh	-0.0009
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kWh	0.0006
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kWh	0.0004
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kWh	-0.0005
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kWh	0.0005
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0167

RESIDENTIAL - HENSALL SERVICE CLASSIFICATION

A customer is classed as residential when all the following conditions are met:

- (a) the property is zoned strictly residential by the local municipality,
- (b) the account is created and maintained in the customer's name,
- (c) the building is used for dwelling purposes.

Exceptions may be made for properties zoned for farming use, under the following conditions:

- (a) the principal use of the service is for the residence,
- (b) the service size is 200 amperes or less, and the service is 120/240 volt single phase.

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	13.69
Smart Meter Funding Adder	\$	1.52
Distribution Volumetric Rate	\$/kWh	0.0147
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2012	\$/kWh	-0.001
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kWh	0.0006
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kWh	0.0004
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kWh	-0.0003
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0167

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly peak demand is less than 50 kW based on the process for and the frequency of reclassification as outlined in the Amendments to the Distribution System Code , Board File EB-2007-0722. For new customers without prior billing history, the peak kW demand will be estimated by Festival Hydro Inc. to determine proper rate classification. Customers who are classed as General service but consider themselves to be residential must provide Festival Hydro with a copy of their tax assessment,

APPLICATION

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

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	28.62
Smart Meter Funding Adder	\$	1.52
Distribution Volumetric Rate	\$/kWh	0.0144
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30,20	\$/kWh	-0.001
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kWh	0.0001
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kWh	0.0005
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kWh	-0.0003
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0167

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential account which is demand metered, whose monthly peak demand is equal to or greater than 50 kW based on the process for and the frequency of reclassification as outlined in the Amendments to the Distribution System Code , Board File EB-2007-0722. For new customers without prior billing history, the peak kW demand will be estimated by Festival Hydro Inc. to determine rate classification. Further servicing details are available in the Distributors Condition of Service.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	221.45
Smart Meter Funding Adder	\$	1.52
Distribution Volumetric Rate	\$/kW	2.2706
Low Voltage Service Rate	\$/kW	0.0689
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30,20	\$/kW	-0.3508
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kW	0.0389
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kW	0.0099
Rate Rider for Tax Change - Effective Until January 00, 1900	\$/kW	-0.0358
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kW	0.0048
Retail Transmission Rate – Network Service Rate	\$/kW	2.2155
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7357

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052

Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0167

GENERAL SERVICE 50 TO 4,999 KW – INTERVAL METERED SERVICE

This classification refers to a non-residential account which is interval metered, whose monthly peak demand is equal to or greater than 50 kW based on the process for and the frequency of reclassification as outlined in the Amendments to the Distribution System Code, Board File EB-2007-0722. For new customers without prior billing history, the peak kW demand will be estimated by Festival Hydro Inc. to determine rate classification. Further servicing details are available in the Distributors Condition of Service.

APPLICATION

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

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	221.45
Smart Meter Funding Adder	\$	1.52
Distribution Volumetric Rate	\$/kW	2.2706
Low Voltage Service Rate	\$/kW	0.0689
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 20	\$/kW	-0.3508
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kW	0.0389
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kW	0.0099
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kW	-0.0358
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kW	0.0048
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.353
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval	\$/kW	1.9028

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0167

LARGE USE SERVICE CLASSIFICATION

This classification refers to an account whose monthly peak demand is equal to or greater than 5,000 kW based on the process for and the frequency of reclassification as outlined in the Amendments to the Distribution System Code, Board File EB-2007-0722. Further servicing details are available in the Distributors Condition of Service.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10581.85
Smart Meter Funding Adder	\$	1.52
Distribution Volumetric Rate	\$/kW	0.982
Low Voltage Service Rate	\$/kW	0.0801
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 20	\$/kW	-0.4507
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kW	0.191
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings	\$/kW	0.0032
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kW	-0.0355
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kW	0.0436
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.6055
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval	\$/kW	2.1759

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

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EB-2011-0167

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to accounts whose average monthly maximum demand is less than 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, pedestrian cross-walks signals/beacons, railway crossings, etc. The level of the consumption will be agreed by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	12.67
Distribution Volumetric Rate	\$/kWh	0.0125
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 20	\$/kWh	-0.0008
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kWh	-0.0006
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kWh	0.0006
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0167

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are unmetered lighting load supplied to a sentinel light. Further servicing details are available in the Distributors Condition of Service.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.00
Distribution Volumetric Rate	\$/kW	10.5195
Low Voltage Service Rate	\$/kW	0.0504
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 20	\$/kW	-0.3881
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kW	-0.1362
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kW	0.123
Retail Transmission Rate – Network Service Rate	\$/kW	1.6793
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.37

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Ministry of Transportation and private roadway lighting controlled by photo cells. The consumption of these customers will be based on the calculated connected load times the required lighting times established in the approved CEB street lighting load shape template. If connected to the municipal or the Province of Ontario street light system, decorative lighting and tree lighting services will be treated as a Street Lighting class of service. Decorative or tree lighting connected to Festival Hydro Inc.'s distribution system will be treated as a General Service less than 50 kW customer. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1.07
Distribution Volumetric Rate	\$/kW	4.8759
Low Voltage Service Rate	\$/kW	0.0494
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2012	\$/kW	-0.2751
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kW	-0.1191
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kW	0.1089
Retail Transmission Rate – Network Service Rate	\$/kW	1.6709
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3418

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Condition of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Programs, the Global Adjustment, the

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and %	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

Arrears certificate	\$	15.00
Income tax letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applic)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Disconnect/Reconnect at pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole - after regular hours	\$	415.00
Install/Remove load control device - during regular hours	\$	65.00
Install/Remove load control device - after regular hours	\$	185.00
Service call - customer-owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
Temporary service install & remove - overhead - no transformer	\$	500.00
Temporary service install & remove - underground - no transformer	\$	300.00
Temporary service install & remove - overhead - with transformer	\$	1000.00
Specific Charge for Access to Power Poles - per pole/year	\$	22.35

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

RETAIL SERVICE CHARGES (if applicable)**APPLICATION**

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distrib	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factor will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0204
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0075
Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0307
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0176

Appendix B

ATTACHMENT A
CDM Load Impacts by Class and Program

Class Program	Year(s) Implemented	NET		GROSS		NET		GROSS	
		2010		2010		2011		2011	
		kWh	kW	kWh	kW	kWh	kW	kWh	kW

OPA Programs

Residential									
Secondary Fridge Retirement Pilot	2006	19,716	4.47	21,907	4.97	19,716	4.47	21,907	4.97
Cool & Hot Savings Rebate	2006 - 2007	124,962	96.01	211,501	161.70	124,962	96.01	211,501	161.70
Every Kilowatt Counts	2006-2007	614,559	30.94	794,663	39.17	614,559	30.94	794,663	39.17
Great Refrigerator Roundup	2007-2010	773,659	107.28	1,512,572	216.92	773,659	107.28	1,512,572	216.92
peaksaver®	2008-2010	3,101	384.78	3,442	426.57	3,101	384.78	3,442	426.57
Summer Savings	2007	25,314	31.90	210,953	265.80	25,314	31.90	210,953	265.80
Social Housing – Pilot	2007	41,565	4.89	41,565	4.89	41,565	4.89	41,565	4.89
Cool Savings Rebate Program	2008-2010	323,825	208.18	712,045	449.58	323,825	208.18	712,045	449.58
Every Kilowatt Counts Power Savings Event	2008-2010	645,565	44.94	1,594,794	111.66	645,565	44.94	1,594,794	111.66
Summer Sweepstakes	2008	132,108	53.11	170,273	68.46	132,108	53.11	170,273	68.46
Renewable Energy Standard Offer	2007, 2008	11,274	9.90	11,274	9.90	11,274	9.90	11,274	9.90
Multifamily Energy Efficiency Rebates	2010	36,075	3.06	48,974	4.00				
General Service<50kW									
High Performance New Construction	2008-2010	210,443	93.49	300,633	133.55	210,443	93.49	300,633	133.55
Power Savings Blitz	2008-2010	1,675,096	476.41	1,729,591	492.05	1,675,096	476.41	1,729,591	492.05
Electricity Retrofit Incentive Program	2007-2010	400,778	67.71	676,014	161.57	400,778	67.71	676,014	112.77
peaksaver® for business	2010	13	1.28	14	1.41	13	1.28	14	1.41
General Service>50kW to 4,999kW									
Demand Response 1	2006 - 2009								
Demand Response 2	2009-2010	767,455	656.56	767,455	656.56				
Demand Response 3	2008-2010	27,211	1388.70	27,211	1388.70				
Electricity Retrofit Incentive Program	2007-2010	2,271,076	383.71	3,830,748	915.59	2,271,076	383.71	3,830,748	639.01
Loblaws & York Region Demand Response	2006-2010	0	0.16	0	0.16				
Large Use									
Electricity Retrofit Incentive Program	2007-2010	197,185	34.94	388,634	66.74	197,185	34.94	388,634	66.74

Third Tranche

RESIDENTIAL									
LED Seasonal Lighting	2005								
	2006	106	0.00	112	0.00				
CFL Bulbs	2005	146,075	3.15	162,305	3.50	146,075	3.15	162,305	3.50
	2006	29,849	0.64	33,165	0.72	29,849	0.64	33,165	0.72
	2007	476,661	10.29	529,623	11.43	476,661	10.29	529,623	11.43

ATTACHMENT B
Foregone Revenue by Class and Program

Foregone Revenue by Class and Program				2010				2011				
Class Program	Year Implemented	kWh or kW	Rate per Unit	Load Unit	kWh or kW	Rate per Unit	Revenue	Load Unit	kWh or kW	Rate per Unit	Revenue	Total Revenue
OPA Programs												
Residential												
Secondary Fridge Retirement Pilot	2006	kWh		19,716	kWh			19,716	kWh			
General			0.0156	19,243		0.0163	\$309.17	19,243		0.0164	\$314.94	\$624.11
Hensall			0.0097	473		0.012	\$5.32	473		0.0134	\$6.12	\$11.44
Cool & Hot Savings Rebate	2006 - 2007	kWh		124,962	kWh			124,962	kWh			
General			0.0156	121,963		0.0163	\$1,959.54	121,963		0.0164	\$1,996.13	\$3,955.68
Hensall			0.0097	2,999		0.012	\$33.69	2,999		0.0134	\$38.79	\$72.48
Every Kilowatt Counts	2006-2007	kWh		614,559	kWh			614,559	kWh			
General			0.0156	599,810		0.0163	\$9,636.94	599,810		0.0164	\$9,816.89	\$19,453.83
Hensall			0.0097	14,749		0.012	\$165.69	14,749		0.0134	\$190.76	\$356.44
Great Refrigerator Roundup	2007-2010	kWh		773,659	kWh			773,659	kWh			
General			0.0156	755,092		0.0163	\$12,131.81	755,092		0.0164	\$12,358.33	\$24,490.14
Hensall			0.0097	18,568		0.012	\$208.58	18,568		0.0134	\$240.14	\$448.72
peaksaver®	2007	kWh		3,101	kWh			3,101	kWh			
General			0.0156	3,027		0.0163	\$48.63	3,027		0.0164	\$49.54	\$98.17
Hensall			0.0097	74		0.012	\$0.84	74		0.0134	\$0.96	\$1.80
Summer Savings	2007	kWh		25,314	kWh			25,314	kWh			
General			0.0156	24,707		0.0163	\$396.96	24,707		0.0164	\$404.37	\$801.32
Hensall			0.0097	608		0.012	\$6.82	608		0.0134	\$7.86	\$14.68
Social Housing – Pilot	2008-2010	kWh		41,565	kWh			41,565	kWh			
General			0.0156	40,568		0.0163	\$651.79	40,568		0.0164	\$663.96	\$1,315.74
Hensall			0.0097	998		0.012	\$11.21	998		0.0134	\$12.90	\$24.11
Cool Savings Rebate Program	2008-2010	kWh		323,825	kWh			323,825	kWh			
General			0.0156	316,054		0.0163	\$5,077.93	316,054		0.0164	\$5,172.74	\$10,250.67
Hensall			0.0097	7,772		0.012	\$87.30	7,772		0.0134	\$100.52	\$187.82
Every Kilowatt Counts Power Savings Event	2008-2010	kWh		645,565	kWh			645,565	kWh			
General			0.0156	630,071		0.0163	\$10,123.15	630,071		0.0164	\$10,312.17	\$20,435.32
Hensall			0.0097	15,494		0.012	\$174.04	15,494		0.0134	\$200.38	\$374.43
Summer Sweepstakes	2008	kWh		132,108	kWh			132,108	kWh			
General			0.0156	128,938		0.0163	\$2,071.60	128,938		0.0164	\$2,110.28	\$4,181.88
Hensall			0.0097	3,171		0.012	\$35.62	3,171		0.0134	\$41.01	\$76.62
Renewable Energy Standard Offer	2008- 2009	kWh		11,274	kWh			11,274	kWh			
General			0.0156	11,004		0.0163	\$176.79	11,004		0.0164	\$180.09	\$356.88
Hensall			0.0097	271		0.012	\$3.04	271		0.0134	\$3.50	\$6.54
Multifamily Energy Efficiency Rebates	2010	kWh		36,075	kWh			0	kWh			
General			0.0156	35,210		0.0163	\$565.70	0		0.0164	\$0.00	\$565.70
Hensall			0.0097	866		0.012	\$9.73	0		0.0134	\$0.00	\$9.73
GENERAL SERVICE Less Than 50kW												
High Performance New Construction	2008-2010	kWh	0.0140	210,443	kWh	0.0145	\$3,016.35	210,443	kWh	0.0145	\$3,051.43	\$6,067.78
Power Savings Blitz	2008-2010	kWh	0.0140	1,675,096	kWh	0.0145	\$24,009.71	1,675,096	kWh	0.0145	\$24,288.89	\$48,298.60
Electricity Retrofit Incentive Program	2007-2010	kWh	0.0140	400,778	kWh	0.0145	\$5,744.49	400,778	kWh	0.0145	\$5,811.28	\$11,555.77
peaksaver® for business	2010	kWh	0.0140	13	kWh	0.0145	\$0.19	13	kWh	0.0145	\$0.19	\$0.37
General Service>50kW to 4,999kW												
Demand Response 1	2006 -20010	kW	2.1694	0.00	kW	2.2579	\$0.00	0	kW	2.2665	\$0.00	\$0.00
Demand Response 2	2009-2010	kW	2.1694	656.56	kW	2.2579	\$1,482.44	0	kW	2.2665	\$0.00	\$1,482.44
Demand Response 3	2008-2010	kW	2.1694	1,388.70	kW	2.2579	\$3,135.55	383.71	kW	2.2665	\$869.67	\$4,005.22
Electricity Retrofit Incentive Program	2007-2010	kW	2.1694	383.71	kW	2.2579	\$10,260.61	0	kW	2.2665	\$0.00	\$10,260.61
Loblaw & York Region Demand Response	2006-2010	kW	2.1694	0.16	kW	2.2579	\$0.36	0	kW	2.2665	\$0.00	\$0.36
Large Use												
Electricity Retrofit Incentive Program	2006-2010	kW	0.9832	34.94	kW	0.9922	\$414.76	34.94	kW	0.9881	\$414.87	\$829.63

\$170,615.03

Third Tranche

RESIDENTIAL												
LED Seasonal Lighting	2005	kWh		0	kWh			0	kWh			
General			0.0156			0.0163	\$0.00			0.0164	\$0.00	\$0.00
Hensall			0.0097			0.012	\$0.00			0.0134	\$0.00	\$0.00
	2006	kWh		106	kWh			0	kWh			
General			0.0156	103		0.0163	\$1.66			0.0164	\$0.00	\$1.66
Hensall			0.0097	3		0.012	\$0.03			0.0134	\$0.00	\$0.03
CFL Bulbs	2005	kWh		146,075	kWh			146,075	kWh			
General			0.0156	142,569		0.0163	\$2,290.61	142,569		0.0164	\$2,333.38	\$4,623.99
Hensall			0.0097	3,506		0.012	\$39.38	3,506		0.0134	\$45.34	\$84.72
	2006	kWh		29,849	kWh			29,849	kWh			
General			0.0156	29,132		0.0163	\$468.06	29,132		0.0164	\$476.80	\$944.86
Hensall			0.0097	716		0.012	\$8.05	716		0.0134	\$9.27	\$17.31
	2007	kWh		476,661	kWh			476,661	kWh			
General			0.0156	465,221		0.0163	\$7,474.55	465,221		0.0164	\$7,614.11	\$15,088.66
Hensall			0.0097	11,440		0.012	\$128.51	11,440		0.0134	\$147.96	\$276.46

\$21,037.69

\$191,652.72

ATTACHMENT C**LRAM Totals****Rate Class**

	LRAM \$
<u>OPA Programs</u>	
RESIDENTIAL	\$88,114.24
GENERAL SERVICE Less Than 50kW	\$65,922.52
General Service>50kW to 4,999kW	\$15,748.64
Large Use	\$829.63
<u>Third Tranche</u>	
RESIDENTIAL	\$21,037.69
	\$191,652.72

OPA Conservation & Demand Management Programs

[illegible]

ID	Initiative Name	Program Name	Program Year	Results Status	Measure Name	Unit Savings Assumptions										LDC Specific Results									
						Gross Summer Energy Savings (kW)	Gross Annual Energy Savings (kWh)	Gross Lifetime Energy Savings (\$M)	Net Summer Peak Demand Savings (kW)	Net Annual Demand Savings (kW)	Net Lifetime Energy Savings (\$M)	Program Energy Savings Adjustment (\$M)	Effective Useful Life (EUL)	Activity Results (t)	Gross Summer Demand Savings (kW)	Gross Annual Savings (\$M)	Gross Lifetime Savings (\$M)	Net Summer Energy Savings (kW)	Net Annual Savings (\$M)	Net Lifetime Savings (\$M)					
135	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	4 Energy Star® Qualified Compact Fluorescent Flood (Indoor & Outdoor)	0.003	88	613	0.001	93	230	37.5	7.0	1,469,754	0.46	128,779	961,451	1.53	48,251	337,754					
136	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Energy Star® Qualified Compact Fluorescent Flood (Indoor & Outdoor)	0.001	22	153	0.000	23	58	9.4	1.8	366,432	0.10	28,693	226,156	0.40	12,673	2,055,346					
137	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	118 Thermostat Controls	0.003	37	395	0.000	123	130	32.9	16.0	414,095	4.16	15,458	247,000	0.14	5,073	81,135					
138	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Lighting Control Devices	0.001	30	2,022	0.001	46	464	45.4	10.0	446,862	1.34	45,604	455,000	0.05	26,488	266,881					
139	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Power Bars with Timers	0.001	37	333	0.001	37	217	21.6	4.0	214,468	1.12	2,364	17,400	0.10	317	5,113					
140	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	3 Cash Back Meter Install	0.000	0	0	0.000	0	0	0.0	0.0	6,000	0.00	0	0	0.0	0	0					
141	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	10 Heavy Duty Timers	0.000	1,471	1,000	0.000	1,471	1,000	1,000	0.0	45,559	155,500	0.03	513	5,174							
142	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Programmable Thermostats - Baseboard	0.001	84	951	0.000	30	444	46.1	13.0	141,962	0.00	9,142	117,811	0.00	4,261	63,921					
143	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Air Conditioner/Furnace Filters	0.01	88	88	0.007	13	13	15.3	0.3	131,455	2.84	5,107	5,107	1.00	1,762	1,762					
144	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Power Bars	0.001	37	333	0.001	37	217	21.6	4.0	214,468	0.00	0	0	0.0	0	0					
145	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Window Films	0.000	0	0	0.000	0	0	0.0	0.0	1,587	167	0	0	0.0	0	0					
146	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	10 Electric Water Heaters	0.000	0	0	0.000	0	0	0.0	0.0	8,689	0.00	0	0	0.0	0	0					
147	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Pipe Work	0.000	181	228	0.001	181	107	46.8	0.0	2,021	177	8,771	110,817	666,484	41	52,012					
148	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Roof Gutter Systems	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
149	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Keep Cool Pans - Dehumidifier	0.000	102	1,996	0.012	171	2,099	35.0	12.0	6,912	0.26	456	5,471	0.00	160	1,611					
150	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Keep Cool Pans - Room Air Conditioner	0.142	341	2,366	0.060	30	2,822	42.0	0.0	1,013	0.13	1,940	1,270	0.00	80	788					
151	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Dehumidifier	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
152	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
153	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
154	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
155	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
156	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
157	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
158	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
159	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
160	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
161	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
162	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
163	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
164	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
165	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
166	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
167	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
168	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
169	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
170	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
171	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
172	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
173	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
174	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
175	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
176	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
177	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
178	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
179	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
180	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
181	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
182	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
183	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
184	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
185	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
186	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
187	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
188	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
189	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
190	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
191	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
192	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
193	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
194	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
195	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0.000	0	0	0.0	0.0	0	0	0	0	0.0	0	0					
196	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	1 Residential Air Conditioner - Split	0.865	147	225	0.779	15	202	60.0	0.0	11,000	95.31	1,909	24,729	80.64	1,718	22,404					
197	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Room Air Conditioner	0.142	341	2,366	0.062	32	2,877	44.6	0.0	9	29,804	620	4,165	10,740	1.85	1,810					
198	20 Every Kilowatt Counts Power Savings Event	Consumer	2009/Fall	Final	11 Rewards for Recycling - Refrigerator	0.000	0	0	0																

Number	Candidate Name	Program Name	Program Year	Result Status	Measure Name	Unit Savings Assumptions						LDC Specific Results													
						Gross Summer Peak Demand Savings (\$/kW)	Gross Annual Energy Savings (\$/kWh)	Gross Lifetime Energy Savings (\$/kW)	Net Summer Peak Demand Savings (\$/kW)	Net Annual Energy Savings (\$/kWh)	Net Lifetime Energy Savings (\$/kW)	Aggregated Net Cost Adjustment (\$/kW)	Effective Load Factor (LF (%))	Activity Score	Gross Summer Peak Demand Savings (\$/kW)	Gross Annual Energy Savings (\$/kWh)	Gross Lifetime Energy Savings (\$/kW)	Net Summer Peak Demand Savings (\$/kW)	Net Annual Energy Savings (\$/kWh)	Net Lifetime Energy Savings (\$/kW)					
275	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	109)Appliance Occupancy Sensors, Switch plate mounted occupancy sensor - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
276	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	110)Business Occupancy Sensors, Ceiling-mounted occupancy sensor - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
277	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	111)Business Deep Heat Pads, up to 200W maximum - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
278	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	112)Business High Temperature Control - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
279	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	113)Business Energy Controller - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
280	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	114)Business Energy Efficient Ventilation Exhaust Fans - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
281	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	115)Business Low Voltage Linebreak Wires - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
282	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	116)Business Photocell and Timer for Lighting Control - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
283	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	117)Energy System EOL Specs, 5/8 or less - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
284	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	118)Lighting System ENHIGI STAR® Rated CFL, Screw-In, All sizes < 40 W - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
285	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	119)Lighting System ENHIGI STAR® Rated CFL, Hard-wired, All sizes < 40 W - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
286	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	120)Lighting System Standard Performance T8, Single lamp standard T8 fixture - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
287	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	121)Lighting System Standard Performance T8, Double lamp standard T8 fixture - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
288	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	122)Lighting System Standard Performance T8, Triple lamp standard T8 fixture - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
289	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	123)Lighting System High Performance T8 Compact Fluorescent (CFL), Quadrigate lamp standard T8 fixture - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
290	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	124)Lighting System High Performance T8 Compact Fluorescent (CFL), Quadrigate lamp standard T8 fixture - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
291	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	125)Energy System High Performance T8 Compact Fluorescent (CFL), Quadrigate lamp standard T8 fixture - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
292	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	126)Energy System High Performance T8 Compact Fluorescent (CFL), Quadrigate lamp standard T8 fixture - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
293	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	127)Energy System High Performance T8 Compact Fluorescent (CFL), Quadrigate lamp standard T8 fixture - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
294	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	128)Lighting System T5 Medium, High Bay 15' Maximum 6 lamp/fixture - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
295	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	129)Lighting System T5 Medium, High Bay 15' Ceramic ballast 40W - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
296	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	130)Lighting System Occupancy Sensors, Switch plate mounted occupancy sensor - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
297	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	131)Lighting System Occupancy Sensors, Ceiling-mounted occupancy sensor - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
298	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	132)Motor Open Dis-Proof (DOP) 1.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
299	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	133)Motor Open Dis-Proof (DOP) 2 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
300	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	134)Motor Open Dis-Proof (DOP) 2.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
301	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	135)Motor Open Dis-Proof (DOP) 3 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
302	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	136)Motor Open Dis-Proof (DOP) 3.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
303	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	137)Motor Open Dis-Proof (DOP) 4 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
304	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	138)Motor Open Dis-Proof (DOP) 4.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
305	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	139)Motor Open Dis-Proof (DOP) 5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
306	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	140)Motor Open Dis-Proof (DOP) 5.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
307	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	141)Motor Open Dis-Proof (DOP) 6 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
308	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	142)Motor Open Dis-Proof (DOP) 6.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
309	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	143)Motor Open Dis-Proof (DOP) 7 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
310	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	144)Motor Open Dis-Proof (DOP) 7.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
311	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	145)Motor Open Dis-Proof (DOP) 8 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
312	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	146)Motor Open Dis-Proof (DOP) 8.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
313	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	147)Motor Open Dis-Proof (DOP) 9 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
314	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	148)Motor Open Dis-Proof (DOP) 10 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
315	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	149)Motor Open Dis-Proof (DOP) 10.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
316	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	150)Motor Open Dis-Proof (DOP) 12 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
317	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	151)Motor Open Dis-Proof (DOP) 12.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
318	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	152)Motor Totally Enclosed Fan-Coiled (TEFC), 1 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
319	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	153)Motor Totally Enclosed Fan-Coiled (TEFC), 1.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
320	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	154)Motor Totally Enclosed Fan-Coiled (TEFC), 1.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
321	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	155)Motor Totally Enclosed Fan-Coiled (TEFC), 2 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
322	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	156)Motor Totally Enclosed Fan-Coiled (TEFC), 3 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
323	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	157)Motor Totally Enclosed Fan-Coiled (TEFC), 3.5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
324	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	158)Motor Totally Enclosed Fan-Coiled (TEFC), 4 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
325	20 Electricity Retrofit Incentive	Consumer - Business	2008	Final	159)Motor Totally Enclosed Fan-Coiled (TEFC), 5 HP - Multi-Family Sector	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	Quasi-Pre-scientific	41.0	15.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
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Number	Initiative Name	Program Name	Program Year	Results Status		Measure Name	Net Savings Assumptions						LDC Specific Results						
							Gross Summer Peak Demand Savings (kW)	Gross Annual Energy Savings (kWh)	Gross Lifetime Energy Savings (\$)	Net Summer Peak Demand Savings (kW)	Net Annual Energy Savings (\$)	Net Lifetime Energy Savings (\$)	Percentage Demand Adjustment (%)	Effective Useful Life (Yr)	Activity Results (%)	Gross Summer Peak Demand Savings (kW)	Gross Annual Energy Savings (kWh)	Net Summer Peak Demand Savings (kW)	Net Annual Energy Savings (\$)
1301	40/Power Savings Bits	Business	2009/Fall		179149 From Contractor Non-Classified Locations To: Each additional 10 devices or fraction thereof - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1302	40/Power Savings Bits	Business	2009/Fall		179150 From 4 Lines @ 712-23W Magnetic Ballasts To: 4-2 Watt LEDs - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1303	40/Power Savings Bits	Business	2009/Fall		179151 From Contractor Non-Classified Locations To: Minimum # of 2 Watt LEDs per Room - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1304	40/Power Savings Bits	Business	2009/Fall		180450 From 2 Lamps @ 712-23W Magnetic Ballasts To: 2- 8' T-shaped lights w/80 ballast 78-Electronic Ballast - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1305	40/Power Savings Bits	Business	2009/Fall		180451 From 2 Lamps @ 712-23W Magnetic Ballasts To: 2- 8' T-shaped lights w/80 ballast 78-Electronic Ballast - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1306	40/Power Savings Bits	Business	2009/Fall		180452 From 2 Lamps @ 712-23W Magnetic Ballasts To: 2- 8' T-shaped lights w/80 ballast 78-Electronic Ballast - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1307	40/Power Savings Bits	Business	2009/Fall		180453 From 4 Lamps @ 712-23W Magnetic Ballasts To: 4- 4' lamps with electronic ballast 78-Electronic Ballast - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1308	40/Power Savings Bits	Business	2009/Fall		180454 From 2 Lamps @ 78-32W Magnetic Ballasts To: 2- 4' 3-watt lamps with electronic ballast 78-Electronic Ballast - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1309	40/Power Savings Bits	Business	2009/Fall		180455 From 2 & 4' High Output High Output 14-Watt Compact Fluorescent Ballasts To: 4- High Output 14-Watt compact fluorescent ballast 78-Electronic Ballast - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1310	40/Power Savings Bits	Business	2009/Fall		180456 From 2 & 4' High Output High Output 14-Watt Compact Fluorescent Ballasts To: 4- High Output 14-Watt compact fluorescent ballast 78-Electronic Ballast - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1311	40/Power Savings Bits	Business	2009/Fall		180457 From 270W Metal Halide Metal halide to : 150W Metal Halide Direct Lamp Replacement Metal Halide Direct Lamp Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1312	40/Power Savings Bits	Business	2009/Fall		180458 From 400W Metal Halide Metal halide to : 150W Metal Halide Direct Lamp Replacement Metal Halide Direct Lamp Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1313	40/Power Savings Bits	Business	2009/Fall		180459 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1314	40/Power Savings Bits	Business	2009/Fall		180460 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1315	40/Power Savings Bits	Business	2009/Fall		180461 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1316	40/Power Savings Bits	Business	2009/Fall		180462 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1317	40/Power Savings Bits	Business	2009/Fall		180463 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1318	40/Power Savings Bits	Business	2009/Fall		180464 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1319	40/Power Savings Bits	Business	2009/Fall		180465 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1320	40/Power Savings Bits	Business	2009/Fall		180466 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1321	40/Power Savings Bits	Business	2009/Fall		180467 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1322	40/Power Savings Bits	Business	2009/Fall		180468 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1323	40/Power Savings Bits	Business	2009/Fall		180469 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1324	40/Power Savings Bits	Business	2009/Fall		180470 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1325	40/Power Savings Bits	Business	2009/Fall		180471 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1326	40/Power Savings Bits	Business	2009/Fall		180472 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1327	40/Power Savings Bits	Business	2009/Fall		180473 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1328	40/Power Savings Bits	Business	2009/Fall		180474 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1329	40/Power Savings Bits	Business	2009/Fall		180475 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1330	40/Power Savings Bits	Business	2009/Fall		180476 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1331	40/Power Savings Bits	Business	2009/Fall		180477 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1332	40/Power Savings Bits	Business	2009/Fall		180478 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1333	40/Power Savings Bits	Business	2009/Fall		180479 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1334	40/Power Savings Bits	Business	2009/Fall		180480 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1335	40/Power Savings Bits	Business	2009/Fall		180481 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1336	40/Power Savings Bits	Business	2009/Fall		180482 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1337	40/Power Savings Bits	Business	2009/Fall		180483 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1338	40/Power Savings Bits	Business	2009/Fall		180484 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1339	40/Power Savings Bits	Business	2009/Fall		180485 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1340	40/Power Savings Bits	Business	2009/Fall		180486 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1341	40/Power Savings Bits	Business	2009/Fall		180487 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1342	40/Power Savings Bits	Business	2009/Fall		180488 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1343	40/Power Savings Bits	Business	2009/Fall		180489 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1344	40/Power Savings Bits	Business	2009/Fall		180490 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1345	40/Power Savings Bits	Business	2009/Fall		180491 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1346	40/Power Savings Bits	Business	2009/Fall		180492 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1347	40/Power Savings Bits	Business	2009/Fall		180493 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1348	40/Power Savings Bits	Business	2009/Fall		180494 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1349	40/Power Savings Bits	Business	2009/Fall		180495 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1350	40/Power Savings Bits	Business	2009/Fall		180496 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1351	40/Power Savings Bits	Business	2009/Fall		180497 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1352	40/Power Savings Bits	Business	2009/Fall		180498 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1353	40/Power Savings Bits	Business	2009/Fall		180499 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1354	40/Power Savings Bits	Business	2009/Fall		180500 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1355	40/Power Savings Bits	Business	2009/Fall		180501 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1356	40/Power Savings Bits	Business	2009/Fall		180502 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a	n/a	n/a	n/a	n/a
1357	40/Power Savings Bits	Business	2009/Fall		180503 From 270W Metal Halide Metal halide to : 4- 4' Lamps with e-halide 80 ballast factor or 25 watt lamps 78 Replacement - Office Sector	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	Quasi-Precriptive	95.0	8.6	n/a	n/a</				

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Number	Initiative Name	Program Name	Program Year	Results Status		Measure Name	Unit Savings Assumptions						LDC Specific Results									
							Gross Summer Peak Demand Savings (kW)	Gross Annual Energy Savings (kWh)	Gross Lifetime Net Life Time Savings (\$M)	Net Summer Peak Demand Savings (kW)	Net Annual Energy Savings (kWh)	Net Lifetime Net Life Time Savings (\$M)	Average Rate Adjustment (%)	Effective Useful Load Factor (%)	Activity Results (%)	Gross Summer Peak Demand Savings (kW)	Gross Annual Energy Savings (kWh)	Net Summer Peak Demand Savings (kW)	Net Annual Energy Savings (kWh)	Gross Lifetime Net Life Time Savings (\$M)		
1377	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			254 Standby/BK Four - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1378	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			255 Through-Wireless Two - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1379	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			256 Through-Wireless Three - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1380	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			257 Through-Wireless Four - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1381	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			258 Through-Wireless Five - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1382	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			259 Switching/BK Six - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1383	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			260 Media/RV Eight - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1384	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			261 HighMedia/LB Ten - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1385	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			262 HighMedia/LC Six - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1386	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			263 TVRature - Living Room - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1387	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			264 TVRature - Dining Room - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1388	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			265 TVRature - Kitchen - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1389	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			266 TVRature - Bedrooms - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1390	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			267 TVRature - Bathrooms - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1391	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			268 TVRature - HMDLiving - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1392	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			269 TVRature - HDHdang - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1393	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			270 TReddingPace - Kamps - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1394	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			271 TReddingPace - Living Room - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1395	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			272 TReddingPace - Dining Room - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1396	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			273 TReddingPace - Kitchen - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1397	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			274 TReddingPace - Bedrooms - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1398	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			275 TReddingPace - Bathrooms - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1399	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			276 TReddingPace - HMDLiving - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1400	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			277 TReddingPace - HDHdang - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1401	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			278 TReddingPace - TReddingPace - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1402	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			279 TReddingPace - TReddingPace - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1403	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			280 Self-Sanitizing/HandSanitizer - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1404	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			281 Self-Sanitizing/HandSanitizer - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1405	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			282 MacMedia/LB - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1406	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			283 MacMedia/LB - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1407	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			284 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1408	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			285 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1409	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			286 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1410	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			287 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1411	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			288 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1412	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			289 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1413	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			290 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1414	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			291 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1415	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			292 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1416	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			293 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1417	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			294 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1418	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			295 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1419	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			296 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1420	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			297 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1421	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			298 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1422	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			299 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1423	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			300 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1424	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			301 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1425	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			302 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1426	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			303 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1427	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			304 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1428	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			305 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1429	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			306 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1430	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			307 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1431	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			308 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1432	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			309 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1433	48 Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2009/Fall			310 HighPower - 220W - Corridor / Parking Area Energy Savings application- low-income sector	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	Quasi-Prescriptive	100.0	12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1434	48 Multi-Family Energy Efficiency Reb																					

[illegible]

Attachment E
Assumptions and Measures

Program Year	Free Rider Rate	Number of Units	Table Applied	Technology Life	Annual Energy Savings per unit (kWh)	Summer Peak kW savings per unit	Operating Hours

Third Tranche

RESIDENTIAL								
LED Seasonal Lighting								
5W SLED	2005	5%	2,200	OPA	5	13.95	0	155
5W SLED	2006	5%	8	OPA	5	13.95	0	155
CFL Bulbs								
13W CFL	2005	10%	3,504	OPA	8	46.32	0.001	985.5
13W CFL	2006	10%	716	OPA	8	46.32	0.001	985.5
13W CFL	2007	10%	11,434	OPA	8	46.32	0.001	985.5

OPA Assumptions and Measures Tables:

2011 Prescriptive Measures and Assumptions Release Version 1. March 2011

Festival Hydro Inc.

LRAM Support

September 29, 2011

Prepared by: Bart Burman, MBA, BA.Sc. P.Eng., President

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Attachments

Attachment A – CDM Load Impacts by Class and Program

Attachment B - LRAM Amounts

Attachment C – LRAM Totals

Attachment D - OPA Assumptions

Attachment E – Input Assumptions

1. Introduction

Continuing their participation in OPA province wide CDM programs, Festival Hydro has demonstrated leadership and obtained significant energy and peak reductions in the communities they serve. In its prior 2011 rate filing, Festival Hydro submitted an LRAM claim for \$459,010.83, based on results (input assumptions) validated by the OPA up to the end of 2009, and for combined CDM program efforts undertaken between 2006 and 2009.

With continued success in its CDM activities since the previous claim, Festival Hydro has additional lost revenues that need to be addressed as part of its 2012 IRM3 rate filing with the Ontario Energy Board (OEB).

In accordance with the Ontario Energy Board (OEB) published March 28, 2008 Guidelines for Electricity Distributor Conservation and Demand Management EB-2008-0037 ("CDM Guidelines"), LRAM calculations are required for financial adjustments being claimed. In 2010, finalized 2009, OPA published program evaluations were used for LRAM calculations in Festival Hydro's 2011 rate submission since this represented the most current information and basis for input assumptions available at the time.

The LRAM claim made in 2010 did not incorporate energy and peak savings beyond what was attributable to 2009 programs up to the end of 2009. Calculations in this claim continue to utilize persistent 2009 program evaluation results into 2010.

2. Scope

Festival Hydro requested that Burman Energy Consultants Group Inc. (Burman Energy) prepare and critically assess an additional LRAM claim for program results to the end of 2010. The most recent 2010 published program evaluation results were used to calculate 2010 LRAM amounts. Adjustments to 2011 estimates may be required to accurately reflect final OPA program evaluation results.

Burman Energy committed to providing the following:

1. Review available suitability of published Festival Hydro data for determining appropriate input assumptions.
2. Prepare and finalize LRAM calculations and assumptions consistent with CDM Guidelines and suitable for inclusion in Festival Hydro's 2012 IRM3 application, with supporting details.
3. Produce a report, recommendations, and support related to LRAM assessments/findings.

In performing the above tasks, Burman Energy's involvement is intended to constitute a third party review as specified in the OEB's CDM Guidelines.

3. LRAM Principles

The OEB issued GUIDELINES FOR ELECTRICITY DISTRIBUTOR CONSERVATION AND DEMAND MANAGEMENT, EB-2008-0037 were applied to the preparation of this LRAM application.

LRAM was calculated as the product of the demand/energy savings by customer class and the Board-approved variable distribution charge appropriate to each respective class (net of Regulatory Asset Recovery rate riders) for Festival Hydro.

The OPA published program evaluation reports were utilized where available in the validation of input assumptions.

4. Process

In calculating LRAM, Burman Energy:

1. Reviewed existing LRAM CDM Guidelines and precedents set through LDC submissions to the OEB, to identify the most prudent course for Festival Hydro LRAM.
2. Sought counsel within OEB staff to validate assumptions and processes to complete LRAM submission consistent with other LDC submissions.
3. Reviewed Festival Hydro's CDM program results and input assumptions.
4. Verified correct input assumptions were applied in LRAM calculations.
5. Prepared report and recommendations related to LRAM calculations consistent with OEB CDM Guidelines which are in the accompanying documentation.

5. Results

A review of Festival Hydro's CDM program supporting data verified that documentation exists to support the use of OPA program evaluations as the basis for LRAM calculations. The most recent 2010 published program evaluation results were used to calculate 2010 LRAM amounts. Adjustments to 2011 estimates may be required to accurately reflect final OPA program evaluation results. These calculations will be updated once the OPA publishes preliminary and/or final program evaluations. Input assumptions and free ridership rates are identified in Attachment D (for OPA Programs) and Attachment E (for Third Tranche programs).

The accompanying table below summarizes the calculated amounts for LRAM for Festival Hydro's OPA programs. The calculation of the results, by program and customer class as applicable, are explained in the text below, and detailed in the appended attachment.

Rate Class	
	LRAM \$
<u>OPA Programs</u>	
RESIDENTIAL	\$88,114.24
GENERAL SERVICE Less Than 50kW	\$65,922.52
General Service>50kW to 4,999kW	\$15,748.64
Large Use	\$829.63
<u>Third Tranche</u>	
RESIDENTIAL	\$21,037.69
	\$191,652.72

6. Calculation of LRAM

OPA sponsored programs represent lost revenue through their successful implementation and are included in LRAM calculations.

LRAM amounts were identified by rate class consistent with the CDM Guidelines for programs that impacted revenues from 2006 to 2010 for OPA programs. No adjustments were made to incorporate impacts for any kW/kWh reductions assumed in current Board approved load forecasts.

The sum of all program LRAM calculations, including OPA sponsored programs is \$191,652.72

Attachment A summarizes load impacts by class and program. Attachment B (Foregone Revenue By Class and Program) summarizes the CDM load impacts by program and rate class and the resultant revenue impacts.

The LRAM amounts arising from CDM programs in each respective rate class are allocated to that class for recovery.

7. Recommendations

Burman Energy recommends the following:

1. LRAM amounts arising from CDM programs in each rate class be allocated to that class for recovery.
2. Prepare adjustments to account for any kW/kWh savings amounts included in current load forecasts.

3. Incorporate impacts of final OPA program evaluation reports into LRAM and rate filing addenda as required.
4. Rate impacts, proposed rate riders and respective terms to mitigate LRAM recovery be addressed by Festival Hydro

Appendix C



Rate Class

General Service 50 to 4,999 kW – Interval Metered

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	221.05	221.45
Smart Meter Funding Adder	1.52	1.52
Service Charge Rate Rider(s)	7.76	-
Distribution Volumetric Rate	2.26650	2.27058
Distribution Volumetric Rate Rider(s)	(0.33060)	(0.33300)
Low Voltage Volumetric Rate	0.06890	0.06890
Retail Transmission Rate – Network Service Rate	2.22380	2.35300
Retail Transmission Rate – Line and Transformation Connection Service Rate	1.84050	1.90280
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0204	1.0204

Consumption	270,000	kWh	600	kW
RPP Tier One	750	kWh	Load Factor	61.7%

Current Loss Factor	1.0204
Proposed Loss Factor	1.0204

General Service 50 to 4,999 kW – Interval Metered	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	750.00	0.0680	51.00	750.00	0.0680	51.00	0.00	0.00%	0.15%
Energy Second Tier (kWh)	274,758.00	0.0790	21,705.88	274,758.00	0.0790	21,705.88	0.00	0.00%	65.30%
Sub-Total: Energy			21,756.88			21,756.88	0.00	0.00%	65.45%
Service Charge	1	221.05	221.05	1	221.45	221.45	0.40	0.18%	0.67%
Service Charge Rate Rider(s)	1	9.28	9.28	1	1.52	1.52	-7.76	(83.62)%	0.00%
Distribution Volumetric Rate	600	2.2665	1,359.90	600	2.2706	1,362.35	2.45	0.18%	4.10%
Low Voltage Volumetric Rate	600	0.0689	41.34	600	0.0689	41.34	0.00	0.00%	0.12%
Distribution Volumetric Rate Rider(s)	600	(0.3306)	(198.36)	600	(0.3330)	(199.80)	-1.44	0.73%	(0.60)%
Total: Distribution			1,433.21			1,426.86	-6.35	(0.44)%	4.29%
Retail Transmission Rate – Network Service Rate	600.00	2.2238	1,334.28	600.00	2.3530	1,411.80	77.52	5.81%	4.25%
Retail Transmission Rate – Line and Transformation Connection Service Rate	600.00	1.8405	1,104.30	600.00	1.9028	1,141.68	37.38	3.38%	3.43%
Total: Retail Transmission			2,438.58			2,553.48	114.90	4.71%	7.68%
Sub-Total: Delivery (Distribution and Retail Transmission)			3,871.79			3,980.34	108.55	2.80%	11.97%
Wholesale Market Service Rate	275,508.00	0.0052	1,432.64	275,508.00	0.0052	1,432.64	0.00	0.00%	4.31%
Rural Rate Protection Charge	275,508.00	0.0013	358.16	275,508.00	0.0013	358.16	0.00	0.00%	1.08%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
Sub-Total: Regulatory			1,791.05			1,791.05			5.39%
Debt Retirement Charge (DRC)	270,000.00	0.00700	1,890.00	270,000	0.0070	1,890.00	0.00	0.00%	5.69%
Total Bill before Taxes			29,309.72			29,418.27	108.55	0.37%	88.50%
HST		13%	3,810.26		13%	3,824.38	14.11	0.37%	11.50%
Total Bill			33,119.99			33,242.64	122.66	0.37%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-3,312.00		(10%)	-3,324.26			
Total Bill (less OCEB)			29,807.99			29,918.38	110.39	0.37%	



Ontario Energy Board

**3RD Generation Incentive
Regulation Model**

Festival Hydro Inc. - EB-2011-0167



Rate Class

General Service Less Than 50 kW

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	28.87	28.62
Smart Meter Funding Adder	1.52	1.52
Service Charge Rate Rider(s)	0.63	-
Distribution Volumetric Rate	0.01450	0.01443
Distribution Volumetric Rate Rider(s)	(0.00110)	(0.00040)
Low Voltage Volumetric Rate	0.00020	0.00020
Retail Transmission Rate – Network Service Rate	0.00500	0.00530
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00420	0.00430
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0307	1.0307

Consumption	2,000	kWh	kW
RPP Tier One	750	kWh	Load Factor

Current Loss Factor	1.0307
Proposed Loss Factor	1.0307

General Service Less Than 50 kW	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	750.00	0.0680	51.00	750.00	0.0680	51.00	0.00	0.00%	17.32%
Energy Second Tier (kWh)	1,311.40	0.0790	103.60	1,311.40	0.0790	103.60	0.00	0.00%	35.18%
Sub-Total: Energy			154.60			154.60	0.00	0.00%	52.49%
Service Charge	1	28.87	28.87	1	28.62	28.62	-0.25	(0.86)%	9.72%
Service Charge Rate Rider(s)	1	2.15	2.15	1	1.52	1.52	-0.63	(29.30)%	0.52%
Distribution Volumetric Rate	2,000	0.0145	29.00	2,000	0.0144	28.85	-0.15	(0.51)%	9.80%
Low Voltage Volumetric Rate	2,000	0.0002	0.40	2,000	0.0002	0.40	0.00	0.00%	0.14%
Distribution Volumetric Rate Rider(s)	2,000	(0.0011)	(2.20)	2,000	(0.0004)	(0.80)	1.40	(63.64)%	(0.27)%
Total: Distribution			58.22			58.59	0.37	0.64%	19.89%
Retail Transmission Rate – Network Service Rate	2,061.40	0.0050	10.31	2,061.40	0.0053	10.93	0.62	6.00%	3.71%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,061.40	0.0042	8.66	2,061.40	0.0043	8.86	0.21	2.38%	3.01%
Total: Retail Transmission			18.96			19.79	0.82	4.35%	6.72%
Sub-Total: Delivery (Distribution and Retail Transmission)			77.18			78.38	1.20	1.55%	26.61%
Wholesale Market Service Rate	2,061.40	0.0052	10.72	2,061.40	0.0052	10.72	0.00	0.00%	3.64%
Rural Rate Protection Charge	2,061.40	0.0013	2.68	2,061.40	0.0013	2.68	0.00	0.00%	0.91%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.08%
Sub-Total: Regulatory			13.65			13.65			4.63%
Debt Retirement Charge (DRC)	2,000.00	0.00700	14.00	2,000	0.0070	14.00	0.00	0.00%	4.75%
Total Bill before Taxes			259.43			260.63	1.20	0.46%	88.50%
HST		13%	33.73		13%	33.88	0.16	0.46%	11.50%
Total Bill			293.16			294.51	1.35	0.46%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-29.32		(10%)	-29.45			
Total Bill (less OCEB)			263.84			265.06	1.22	0.46%	



Ontario Energy Board

3RD Generation Incentive Regulation Model

Festival Hydro Inc. - EB-2011-0167

Rate Class

Large Use

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	10,648.16	10,581.85
Smart Meter Funding Adder	1.52	1.52
Service Charge Rate Rider(s)	117.02	-
Distribution Volumetric Rate	0.98810	0.98196
Distribution Volumetric Rate Rider(s)	(0.27810)	(0.24840)
Low Voltage Volumetric Rate	0.08010	0.08010
Retail Transmission Rate – Network Service Rate	2.46240	2.60550
Retail Transmission Rate – Line and Transformation Connection Service Rate	2.10470	2.17590
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0075	1.0075

Consumption	2,500,000	kWh	5,000	kW
RPP Tier One	750	kWh	Load Factor	68.5%

Current Loss Factor	1.0075
Proposed Loss Factor	1.0075

Large Use	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	750.00	0.0680	51.00	750.00	0.0680	51.00	0.00	0.00%	0.02%
Energy Second Tier (kWh)	2,518,000.00	0.0790	198,922.00	2,518,000.00	0.0790	198,922.00	0.00	0.00%	64.86%
Sub-Total: Energy			198,973.00			198,973.00	0.00	0.00%	64.88%
Service Charge	1	10,648.16	10,648.16	1	10,581.85	10,581.85	-66.31	(0.62)%	3.45%
Service Charge Rate Rider(s)	1	118.54	118.54	1	1.52	1.52	-117.02	(98.72)%	0.00%
Distribution Volumetric Rate	5,000	0.9881	4,940.50	5,000	0.9820	4,909.82	-30.68	(0.62)%	1.60%
Low Voltage Volumetric Rate	5,000	0.0801	400.50	5,000	0.0801	400.50	0.00	0.00%	0.13%
Distribution Volumetric Rate Rider(s)	5,000	(0.2781)	(1,390.50)	5,000	(0.2484)	(1,242.00)	148.50	(10.68)%	(0.40)%
Total: Distribution			14,717.20			14,651.69	-65.51	(0.45)%	4.78%
Retail Transmission Rate – Network Service Rate	5,000.00	2.4624	12,312.00	5,000.00	2.6055	13,027.50	715.50	5.81%	4.25%
Retail Transmission Rate – Line and Transformation Connection Service Rate	5,000.00	2.1047	10,523.50	5,000.00	2.1759	10,879.50	356.00	3.38%	3.55%
Total: Retail Transmission			22,835.50			23,907.00	1,071.50	4.69%	7.80%
Sub-Total: Delivery (Distribution and Retail Transmission)			37,552.70			38,558.69	1,005.99	2.68%	12.57%
Wholesale Market Service Rate	2,518,750.00	0.0052	13,097.50	2,518,750.00	0.0052	13,097.50	0.00	0.00%	4.27%
Rural Rate Protection Charge	2,518,750.00	0.0013	3,274.38	2,518,750.00	0.0013	3,274.38	0.00	0.00%	1.07%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
Sub-Total: Regulatory			16,372.13			16,372.13			5.34%
Debt Retirement Charge (DRC)	2,500,000.00	0.00700	17,500.00	2,500,000	0.0070	17,500.00	0.00	0.00%	5.71%
Total Bill before Taxes			270,397.83			271,403.82	1,005.99	0.37%	88.50%
HST		13%	35,151.72		13%	35,282.50	130.78	0.37%	11.50%
Total Bill			305,549.54			306,686.32	1,136.77	0.37%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-30,554.95		(10%)	-30,668.63			
Total Bill (less OCEB)			274,994.59			276,017.68	1,023.10	0.37%	



Ontario Energy Board

**3RD Generation Incentive
Regulation Model**

Festival Hydro Inc. - EB-2011-0167

Rate Class

Residential

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	14.78	14.78
Smart Meter Funding Adder	1.52	1.52
Service Charge Rate Rider(s)	0.24	-
Distribution Volumetric Rate	0.01640	0.01643
Distribution Volumetric Rate Rider(s)	(0.00050)	0.00010
Low Voltage Volumetric Rate	0.00020	0.00020
Retail Transmission Rate – Network Service Rate	0.00580	0.00610
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00470	0.00490
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0307	1.0307

Consumption	800	kWh	kW
RPP Tier One	600	kWh	Load Factor

Current Loss Factor	1.0307
Proposed Loss Factor	1.0307

Residential	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	33.28%
Energy Second Tier (kWh)	224.56	0.0790	17.74	224.56	0.0790	17.74	0.00	0.00%	14.47%
Sub-Total: Energy			58.54			58.54	0.00	0.00%	47.75%
Service Charge	1	14.78	14.78	1	14.78	14.78	-0.00	(0.02)%	12.05%
Service Charge Rate Rider(s)	1	1.76	1.76	1	1.52	1.52	-0.24	(13.64)%	1.24%
Distribution Volumetric Rate	800	0.0164	13.12	800	0.0164	13.14	0.02	0.18%	10.72%
Low Voltage Volumetric Rate	800	0.0002	0.16	800	0.0002	0.16	0.00	0.00%	0.13%
Distribution Volumetric Rate Rider(s)	800	(0.0005)	(0.40)	800	0.0001	0.08	0.48	(120.00)%	0.07%
Total: Distribution			29.42			29.68	0.26	0.88%	24.21%
Retail Transmission Rate – Network Service Rate	824.56	0.0058	4.78	824.56	0.0061	5.03	0.25	5.17%	4.10%
Retail Transmission Rate – Line and Transformation Connection Service Rate	824.56	0.0047	3.88	824.56	0.0049	4.04	0.16	4.26%	3.30%
Total: Retail Transmission			8.66			9.07	0.41	4.76%	7.40%
Sub-Total: Delivery (Distribution and Retail Transmission)			38.08			38.75	0.67	1.77%	31.61%
Wholesale Market Service Rate	824.56	0.0052	4.29	824.56	0.0052	4.29	0.00	0.00%	3.50%
Rural Rate Protection Charge	824.56	0.0013	1.07	824.56	0.0013	1.07	0.00	0.00%	0.87%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.20%
Sub-Total: Regulatory			5.61			5.61			4.58%
Debt Retirement Charge (DRC)	800.00	0.00700	5.60	800	0.0070	5.60	0.00	0.00%	4.57%
Total Bill before Taxes			107.83			108.50	0.67	0.62%	88.50%
HST		13%	14.02		13%	14.11	0.09	0.62%	11.50%
Total Bill			121.85			122.61	0.76	0.62%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-12.18		(10%)	-12.26			
Total Bill (less OCEB)			109.66			110.34	0.68	0.62%	



Rate Class

Residential - Hensall

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	12.49	13.69
Smart Meter Funding Adder	1.52	1.52
Service Charge Rate Rider(s)	0.16	-
Distribution Volumetric Rate	0.01340	0.01473
Distribution Volumetric Rate Rider(s)	(0.00060)	0.00000
Low Voltage Volumetric Rate	0.00020	0.00020
Retail Transmission Rate – Network Service Rate	0.00580	0.00610
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00470	0.00490
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0307	1.0307

Consumption	250	kWh	kW
RPP Tier One	600	kWh	Load Factor

Current Loss Factor	1.0307
Proposed Loss Factor	1.0307

Residential - Hensall	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	250.00	0.0680	17.00	250.00	0.0680	17.00	0.00	0.00%	35.44%
Energy Second Tier (kWh)	0.00	0.0790	0.00	0.00	0.0790	0.00	0.00	0.00%	0.00%
Sub-Total: Energy			17.00			17.00	0.00	0.00%	35.44%
Service Charge	1	12.49	12.49	1	13.69	13.69	1.20	9.64%	28.55%
Service Charge Rate Rider(s)	1	1.68	1.68	1	1.52	1.52	-0.16	(9.52)%	3.17%
Distribution Volumetric Rate	250	0.0134	3.35	250	0.0147	3.68	0.33	9.90%	7.67%
Low Voltage Volumetric Rate	250	0.0002	0.05	250	0.0002	0.05	0.00	0.00%	0.10%
Distribution Volumetric Rate Rider(s)	250	(0.0006)	(0.15)	250	0.0000	0.00	0.15	(100.00)%	0.00%
Total: Distribution			17.42			18.95	1.53	8.76%	39.49%
Retail Transmission Rate – Network Service Rate	257.68	0.0058	1.49	257.68	0.0061	1.57	0.08	5.17%	3.28%
Retail Transmission Rate – Line and Transformation Connection Service Rate	257.68	0.0047	1.21	257.68	0.0049	1.26	0.05	4.26%	2.63%
Total: Retail Transmission			2.71			2.83	0.13	4.76%	5.91%
Sub-Total: Delivery (Distribution and Retail Transmission)			20.13			21.78	1.66	8.22%	45.40%
Wholesale Market Service Rate	257.68	0.0052	1.34	257.68	0.0052	1.34	0.00	0.00%	2.79%
Rural Rate Protection Charge	257.68	0.0013	0.33	257.68	0.0013	0.33	0.00	0.00%	0.70%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.52%
Sub-Total: Regulatory			1.92			1.92			4.01%
Debt Retirement Charge (DRC)	250.00	0.00700	1.75	250	0.0070	1.75	0.00	0.00%	3.65%
Total Bill before Taxes			40.80			42.46	1.66	4.06%	88.50%
HST		13%	5.30		13%	5.52	0.22	4.06%	11.50%
Total Bill			46.10			47.97	1.87	4.06%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-4.61		(10%)	-4.80			
Total Bill (less OCEB)			41.49			43.18	1.68	4.06%	



Rate Class

Residential - Hensall

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	12.49	13.69
Smart Meter Funding Adder	1.52	1.52
Service Charge Rate Rider(s)	0.16	-
Distribution Volumetric Rate	0.01340	0.01473
Distribution Volumetric Rate Rider(s)	(0.00060)	0.00000
Low Voltage Volumetric Rate	0.00020	0.00020
Retail Transmission Rate – Network Service Rate	0.00580	0.00610
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00470	0.00490
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0307	1.0307

Consumption	800	kWh	kW
RPP Tier One	600	kWh	Load Factor

Current Loss Factor	1.0307
Proposed Loss Factor	1.0307

Residential - Hensall	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	34.07%
Energy Second Tier (kWh)	224.56	0.0790	17.74	224.56	0.0790	17.74	0.00	0.00%	14.81%
Sub-Total: Energy			58.54			58.54	0.00	0.00%	48.88%
Service Charge	1	12.49	12.49	1	13.69	13.69	1.20	9.64%	11.44%
Service Charge Rate Rider(s)	1	1.68	1.68	1	1.52	1.52	-0.16	(9.52)%	1.27%
Distribution Volumetric Rate	800	0.0134	10.72	800	0.0147	11.78	1.06	9.90%	9.84%
Low Voltage Volumetric Rate	800	0.0002	0.16	800	0.0002	0.16	0.00	0.00%	0.13%
Distribution Volumetric Rate Rider(s)	800	(0.0006)	(0.48)	800	0.0000	0.00	0.48	(100.00)%	0.00%
Total: Distribution			24.57			27.16	2.59	10.52%	22.68%
Retail Transmission Rate – Network Service Rate	824.56	0.0058	4.78	824.56	0.0061	5.03	0.25	5.17%	4.20%
Retail Transmission Rate – Line and Transformation Connection Service Rate	824.56	0.0047	3.88	824.56	0.0049	4.04	0.16	4.26%	3.37%
Total: Retail Transmission			8.66			9.07	0.41	4.76%	7.57%
Sub-Total: Delivery (Distribution and Retail Transmission)			33.23			36.23	3.00	9.02%	30.25%
Wholesale Market Service Rate	824.56	0.0052	4.29	824.56	0.0052	4.29	0.00	0.00%	3.58%
Rural Rate Protection Charge	824.56	0.0013	1.07	824.56	0.0013	1.07	0.00	0.00%	0.90%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.21%
Sub-Total: Regulatory			5.61			5.61			4.68%
Debt Retirement Charge (DRC)	800.00	0.00700	5.60	800	0.0070	5.60	0.00	0.00%	4.68%
Total Bill before Taxes			102.98			105.98	3.00	2.91%	88.50%
HST		13%	13.39		13%	13.78	0.39	2.91%	11.50%
Total Bill			116.36			119.75	3.39	2.91%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-11.64		(10%)	-11.98			
Total Bill (less OCEB)			104.73			107.78	3.05	2.91%	



Rate Class

Sentinel Lighting

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	1.70	2.00
Smart Meter Funding Adder	-	-
Service Charge Rate Rider(s)	0.03	-
Distribution Volumetric Rate	8.92310	10.51950
Distribution Volumetric Rate Rider(s)	(0.45900)	(0.40130)
Low Voltage Volumetric Rate	0.05040	0.05040
Retail Transmission Rate – Network Service Rate	1.58710	1.67930
Retail Transmission Rate – Line and Transformation Connection Service Rate	1.32510	1.37000
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0307	1.0307

Consumption	126	kWh	0	kW
RPP Tier One	750	kWh	Load Factor	1.0%

Current Loss Factor	1.0307
Proposed Loss Factor	1.0307

Sentinel Lighting	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	129.87	0.0680	8.83	129.87	0.0680	8.83	0.00	0.00%	44.48%
Energy Second Tier (kWh)	0.00	0.0790	0.00	0.00	0.0790	0.00	0.00	0.00%	0.00%
Sub-Total: Energy			8.83			8.83	0.00	0.00%	44.48%
Service Charge	1	1.70	1.70	1	2.00	2.00	0.30	17.86%	10.09%
Service Charge Rate Rider(s)	1	0.03	0.03	1	0.00	0.00	-0.03	(100.00)%	0.00%
Distribution Volumetric Rate	0.36	8.9231	3.21	0.36	10.5195	3.79	0.57	17.89%	19.07%
Low Voltage Volumetric Rate	0.36	0.0504	0.02	0.36	0.0504	0.02	0.00	0.00%	0.09%
Distribution Volumetric Rate Rider(s)	0.36	(0.4590)	(0.17)	0.36	(0.4013)	0.02	0.02	(12.57)%	(0.73)%
Total: Distribution			4.80			5.66	0.87	18.12%	28.53%
Retail Transmission Rate – Network Service Rate	0.36	1.5871	0.57	0.36	1.6793	0.60	0.03	5.81%	3.05%
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.36	1.3251	0.48	0.36	1.3700	0.49	0.02	3.39%	2.48%
Total: Retail Transmission			1.05			1.10	0.05	4.71%	5.53%
Sub-Total: Delivery (Distribution and Retail Transmission)			5.84			6.76	0.92	15.72%	34.06%
Wholesale Market Service Rate	129.87	0.0052	0.68	129.87	0.0052	0.68	0.00	0.00%	3.40%
Rural Rate Protection Charge	129.87	0.0013	0.17	129.87	0.0013	0.17	0.00	0.00%	0.85%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	1.26%
Sub-Total: Regulatory			1.09			1.09			5.51%
Debt Retirement Charge (DRC)	126.00	0.00700	0.88	126	0.0070	0.88	0.00	0.00%	4.44%
Total Bill before Taxes			16.65			17.57	0.92	5.52%	88.50%
HST		13%	2.16		13%	2.28	0.12	5.52%	11.50%
Total Bill			18.82			19.85	1.04	5.52%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-1.88		(10%)	-1.99			
Total Bill (less OCEB)			16.93			17.87	0.93	5.52%	



Rate Class

Street Lighting

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	0.92	1.07
Smart Meter Funding Adder	-	-
Service Charge Rate Rider(s)	0.01	-
Distribution Volumetric Rate	4.17980	4.87586
Distribution Volumetric Rate Rider(s)	(0.33730)	(0.28530)
Low Voltage Volumetric Rate	0.04940	0.04940
Retail Transmission Rate – Network Service Rate	1.57910	1.67090
Retail Transmission Rate – Line and Transformation Connection Service Rate	1.29790	1.34180
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0307	1.0307

Consumption	228,000	kWh	657	kW
RPP Tier One	750	kWh	Load Factor	1.0%

Current Loss Factor	1.0307
Proposed Loss Factor	1.0307

Street Lighting	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	750.00	0.0680	51.00	750.00	0.0680	51.00	0.00	0.00%	0.17%
Energy Second Tier (kWh)	234,249.00	0.0790	18,505.67	234,249.00	0.0790	18,505.67	0.00	0.00%	61.31%
Sub-Total: Energy			18,556.67			18,556.67	0.00	0.00%	61.48%
Service Charge	1	0.92	0.92	1	1.07	1.07	0.15	16.51%	0.00%
Service Charge Rate Rider(s)	1	0.01	0.01	1	0.00	0.00	-0.01	(100.00)%	0.00%
Distribution Volumetric Rate	657.00	4.1798	2,746.13	657.00	4.8759	3,203.44	457.31	16.65%	10.61%
Low Voltage Volumetric Rate	657.00	0.0494	32.46	657.00	0.0494	32.46	0.00	0.00%	0.11%
Distribution Volumetric Rate Rider(s)	657.00	(0.3373)	(221.61)	657.00	(0.2853)	(187.44)	34.16	(15.42)%	(0.62)%
Total: Distribution			2,557.91			3,049.53	491.62	19.22%	10.10%
Retail Transmission Rate – Network Service Rate	657.00	1.5791	1,037.47	657.00	1.6709	1,097.78	60.31	5.81%	3.64%
Retail Transmission Rate – Line and Transformation Connection Service Rate	657.00	1.2979	852.72	657.00	1.3418	881.56	28.84	3.38%	2.92%
Total: Retail Transmission			1,890.19			1,979.34	89.15	4.72%	6.56%
Sub-Total: Delivery (Distribution and Retail Transmission)			4,448.10			5,028.87	580.77	13.06%	16.66%
Wholesale Market Service Rate	234,999.60	0.0052	1,222.00	234,999.60	0.0052	1,222.00	0.00	0.00%	4.05%
Rural Rate Protection Charge	234,999.60	0.0013	305.50	234,999.60	0.0013	305.50	0.00	0.00%	1.01%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
Sub-Total: Regulatory			1,527.75			1,527.75			5.06%
Debt Retirement Charge (DRC)	228,000.00	0.00700	1,596.00	228,000	0.0070	1,596.00	0.00	0.00%	5.29%
Total Bill before Taxes			26,128.52			26,709.29	580.77	2.22%	88.50%
HST		13%	3,396.71		13%	3,472.21	75.50	2.22%	11.50%
Total Bill			29,525.22			30,181.50	656.27	2.22%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-2,952.52		(10%)	-3,018.15			
Total Bill (less OCEB)			26,572.70			27,163.35	590.65	2.22%	



Ontario Energy Board

**3RD Generation Incentive
Regulation Model**

Festival Hydro Inc. - EB-2011-0167

Rate Class

Unmetered Scattered Load

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	12.65	12.67
Smart Meter Funding Adder	-	-
Service Charge Rate Rider(s)	1.70	-
Distribution Volumetric Rate	0.01250	0.01252
Distribution Volumetric Rate Rider(s)	(0.00110)	(0.00080)
Low Voltage Volumetric Rate	0.00020	0.00020
Retail Transmission Rate – Network Service Rate	0.00500	0.00530
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00420	0.00430
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0307	1.0307

Consumption	350	kWh	0	kW
RPP Tier One	750	kWh	Load Factor	1.0%

Current Loss Factor	1.0307
Proposed Loss Factor	1.0307

Unmetered Scattered Load	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	360.75	0.0680	24.53	360.75	0.0680	24.53	0.00	0.00%	43.52%
Energy Second Tier (kWh)	0.00	0.0790	0.00	0.00	0.0790	0.00	0.00	0.00%	0.00%
Sub-Total: Energy			24.53			24.53	0.00	0.00%	43.52%
Service Charge	1	12.65	12.65	1	12.67	12.67	0.02	0.18%	22.48%
Service Charge Rate Rider(s)	1	1.70	1.70	1	0.00	0.00	-1.70	(100.00)%	0.00%
Distribution Volumetric Rate	350	0.0125	4.38	350	0.0125	4.38	0.01	0.18%	7.78%
Low Voltage Volumetric Rate	350	0.0002	0.07	350	0.0002	0.07	0.00	0.00%	0.12%
Distribution Volumetric Rate Rider(s)	350	(0.0011)	(0.39)	350	(0.0008)	(0.28)	0.11	(27.27)%	(0.50)%
Total: Distribution			18.41			16.85	-1.56	(8.50)%	29.88%
Retail Transmission Rate – Network Service Rate	360.75	0.0050	1.80	360.75	0.0053	1.91	0.11	6.00%	3.39%
Retail Transmission Rate – Line and Transformation Connection Service Rate	360.75	0.0042	1.52	360.75	0.0043	1.55	0.04	2.38%	2.75%
Total: Retail Transmission			3.32			3.46	0.14	4.35%	6.14%
Sub-Total: Delivery (Distribution and Retail Transmission)			21.73			20.31	-1.42	(6.54)%	36.03%
Wholesale Market Service Rate	360.75	0.0052	1.88	360.75	0.0052	1.88	0.00	0.00%	3.33%
Rural Rate Protection Charge	360.75	0.0013	0.47	360.75	0.0013	0.47	0.00	0.00%	0.83%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.44%
Sub-Total: Regulatory			2.59			2.59			4.60%
Debt Retirement Charge (DRC)	350.00	0.00700	2.45	350	0.0070	2.45	0.00	0.00%	4.35%
Total Bill before Taxes			51.30			49.88	-1.42	(2.77)%	88.50%
HST		13%	6.67		13%	6.49	-0.18	(2.77)%	11.50%
Total Bill			57.97			56.37	-1.60	(2.77)%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-5.80		(10%)	-5.64			
Total Bill (less OCEB)			52.18			50.73	(1.44)	(2.77)%	

Appendix D



Ontario Energy Board

3RD Generation Incentive Regulation Model

Choose Your Utility:

Festival Hydro Inc.

Fort Frances Power Corporation

Application Type: IRM3

OEB Application #: EB-2011-0167

LDC Licence #: ED-2002-0513

Application Contact Information

Name: Debbie Reece

Title: Secretary Treasurer

Phone Number: 519-271-4703 x.268

Email Address: dreece@festivalhydro.com

We are applying for rates effective: May 1, 2012

Please indicate the version of Microsoft Excel that you are currently using: Excel 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

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Ontario Energy Board

**3RD Generation Incentive
Regulation Model**

Festival Hydro Inc. - EB-2011-0167

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Festival Hydro Inc. - EB-2011-0167

Note: The microFIT class does not exist in the drop-down menu below as it will automatically be inserted into your proposed Tariff Schedule.

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Regulation Model**

Festival Hydro Inc. - EB-2011-0167

Please note that unlike the Distribution Volumetric Rates, which will be entered in the following two tabs, all current Monthly Fixed Charges, including the base charges, must be entered on this tab. Please enter the descriptions of the current Monthly Fix Charges exactly as they appear on your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menus under the column labeled "Rate Description". If the description is not found in the drop-down menu, please enter the description in the green cells under the correct class exactly as it appears on the tariff. Once a description is selected or entered into the green cells, the input cells for the "Unit", "Amount", and "Effective Date" will appear. Please note that the base Monthly Fixed Charge is identified in the drop-down list as a "Service Charge" to coincide with the description on the tariff. Please do not enter more than one "Service Charge" for each class for which a base monthly fixed charge applies. **Note: Do not enter Standard Supply Service Rate. The rate will appear automatically on the final Tariff of Rates and Charges.

Rate Description	Unit	Amount	Effective Until Date
Residential			
Service Charge	\$	14.78	
Smart Meter Funding Adder	\$	1.52	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	0.24	April 30, 2012
Residential - Hensall			
Service Charge	\$	12.49	
Smart Meter Funding Adder	\$	1.52	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	0.16	April 30, 2012
General Service Less Than 50 kW			
Service Charge	\$	28.87	
Smart Meter Funding Adder	\$	1.52	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	0.63	April 30, 2012
General Service 50 to 4,999 kW			
Service Charge	\$	221.05	
Smart Meter Funding Adder	\$	1.52	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	7.76	April 30, 2012
General Service 50 to 4,999 kW – Interval Metered			
Service Charge	\$	221.05	
Smart Meter Funding Adder	\$	1.52	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	7.76	April 30, 2012
Large Use			
Service Charge	\$	10648.16	
Smart Meter Funding Adder	\$	1.52	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	117.02	April 30, 2012

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Festival Hydro Inc. - EB-2011-0167

For each class, please enter the base Distribution Volumetric Rates ("DVR") from your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menus and input cells in columns labeled "Unit" and "Amount".

Rate Description	Unit	Amount
Residential	\$/kWh	0.01640
Residential - Hensall	\$/kWh	0.01340
General Service Less Than 50 kW	\$/kWh	0.01450
General Service 50 to 4,999 kW	\$/kW	2.26650
General Service 50 to 4,999 kW – Interval Metered	\$/kW	2.26650
Large Use	\$/kW	0.98810
Unmetered Scattered Load	\$/kWh	0.01250
Sentinel Lighting	\$/kW	8.92310
Street Lighting	\$/kW	4.17980

[illegible]

[illegible]

[illegible]



Ontario Energy Board

**3RD Generation Incentive
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Festival Hydro Inc. - EB-2011-0167

Please enter your RTS-Network Rates from your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menus under the column labeled "Rate Description". If the description is not found in the drop-down menu, please enter the description in the green cells under the correct classes exactly as it appears on the tariff.

Rate Description	Unit	Amount
Residential		
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00580
Residential - Hensall		
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00580
General Service Less Than 50 kW		
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00500
General Service 50 to 4,999 kW		
Retail Transmission Rate – Network Service Rate	\$/kW	2.09380
General Service 50 to 4,999 kW – Interval Metered		
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.22380
Large Use		
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.46240
Unmetered Scattered Load		
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00500
Sentinel Lighting		
Retail Transmission Rate – Network Service Rate	\$/kW	1.58710
Street Lighting		
Retail Transmission Rate – Network Service Rate	\$/kW	1.57910



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Regulation Model**

Festival Hydro Inc. - EB-2011-0167

Please enter your RTS-Connection Rates from your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menus under the column labeled "Rate Description". If the description is not found in the drop-down menu, please enter the description in the green cells under the correct classes exactly as it appears on the tariff.

Rate Description	Unit	Amount
Residential		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00470
Residential - Hensall		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00470
General Service Less Than 50 kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00420
General Service 50 to 4,999 kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.67890
General Service 50 to 4,999 kW – Interval Metered		
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.84050
Large Use		
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.10470
Unmetered Scattered Load		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00420
Sentinel Lighting		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.32510
Street Lighting		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.29790



Please complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521 and Account 1562. Enter information into green cells only. Lines 51-61 contain footnotes and further instructions.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the December 31, 2009 balances, the starting point for your entries below should be the adjustment column AV for principal and column BA for interest. This will allow for the correct starting point for the 2010 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

2005											
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-05	Transactions Debit / (Credit) during 2005 excluding interest and adjustments ⁵	Board-Approved Disposition during 2005	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 Dec-31-05	Board-Approved Disposition during 2005	Adjustments during 2005 - other ³	Closing Interest Amounts as of Dec-31-05
Group 1 Accounts											
LV Variance Account	1550					\$ -					\$ -
RSVA - Wholesale Market Service Charge	1580					\$ -					\$ -
RSVA - Retail Transmission Network Charge	1584					\$ -					\$ -
RSVA - Retail Transmission Connection Charge	1586					\$ -					\$ -
RSVA - Power (excluding Global Adjustment)	1588					\$ -					\$ -
RSVA - Power - Sub-Account - Global Adjustment	1588					\$ -					\$ -
Recovery of Regulatory Asset Balances	1590		-\$ 210,414			-\$ 210,414		-\$ 318,926			-\$ 318,926
Disposition and Recovery of Regulatory Balances (2008) ⁷	1595					\$ -					\$ -
Disposition and Recovery of Regulatory Balances (2009) ⁷	1595					\$ -					\$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		\$ -	-\$ 210,414	\$ -	\$ -	-\$ 210,414	\$ -	-\$ 318,926	\$ -	\$ -	-\$ 318,926
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		\$ -	-\$ 210,414	\$ -	\$ -	-\$ 210,414	\$ -	-\$ 318,926	\$ -	\$ -	-\$ 318,926
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Purpose Charge Assessment Variance Account	1521										
Deferred Payments in Lieu of Taxes	1562										
Group 1 Total + 1521 + 1562		\$ -	-\$ 210,414	\$ -	\$ -	-\$ 210,414	\$ -	-\$ 318,926	\$ -	\$ -	-\$ 318,926
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592					\$ -					\$ -
Disposition and Recovery of Regulatory Balances ⁷	1595					\$ -					\$ -

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

¹ Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board

² Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

^{2a} Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the 2006 EDR and account 1595 during the 2008 EDR and subsequent years as ordered by the Board.

³ Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

⁴ Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28 and 29.

⁵ For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

⁶ If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31, 2011 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 11 on the December 31, 2010 balance. The projected interest is recorded from May 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board in the 2011 rate decision.

⁷ Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has been completed, and the audited financial statements support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include the balances in Account 1595 on a memo basis only (line 49).



lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521, and Account 1562. For more information, please refer to the Continuity Schedule Instructions and further instructions.

you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 Continuity Schedule is the 2011 rate year. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the Decent adjustment column AV for principal and column BA for interest. This will allow for the correct starting point for entries requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

2006												
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-06	Transactions Debit/ (Credit) during 2006 excluding interest and adjustments ¹	Board-Approved Disposition during 2006 ^{2, 2A}	Adjustments during 2006 - other ³	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec-31-06	Board-Approved Disposition during 2006 ^{2, 2A}	Adjustments during 2006 - other ³	Closing Interest Amounts as of Dec-31-06	
Group 1 Accounts												
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -	
RSVA - Wholesale Market Service Charge	1580	\$ -				\$ -	\$ -				\$ -	
RSVA - Retail Transmission Network Charge	1584	\$ -				\$ -	\$ -				\$ -	
RSVA - Retail Transmission Connection Charge	1586	\$ -				\$ -	\$ -				\$ -	
RSVA - Power (excluding Global Adjustment)	1588	\$ -				\$ -	\$ -				\$ -	
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -				\$ -	\$ -				\$ -	
Recovery of Regulatory Asset Balances	1590	-\$ 210,414	\$ 24,345	-\$ 135,569		-\$ 50,500	-\$ 318,926	-\$ 16,356	-\$ 279,486		-\$ 55,796	
Disposition and Recovery of Regulatory Balances (2008) ⁷	1595	\$ -				\$ -	\$ -				\$ -	
Disposition and Recovery of Regulatory Balances (2009) ⁷	1595	\$ -				\$ -	\$ -				\$ -	
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		-\$ 210,414	\$ 24,345	-\$ 135,569	\$ -	-\$ 50,500	-\$ 318,926	-\$ 16,356	-\$ 279,486	\$ -	-\$ 55,796	
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-\$ 210,414	\$ 24,345	-\$ 135,569	\$ -	-\$ 50,500	-\$ 318,926	-\$ 16,356	-\$ 279,486	\$ -	-\$ 55,796	
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Special Purpose Charge Assessment Variance Account												
	1521											
Deferred Payments in Lieu of Taxes												
	1562					-\$ 7,495	\$ 97,196	\$ 6,809			\$ 104,005	
Group 1 Total + 1521 + 1562		-\$ 210,414	\$ 24,345	-\$ 135,569	\$ -	-\$ 57,995	-\$ 221,730	-\$ 9,547	-\$ 279,486	\$ -	\$ 48,209	
The following is not included in the total claim but are included on a memo basis:												
Board-Approved CDM Variance Account	1567											
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592											
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592											
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -				\$ -	\$ -				\$ -	
Disposition and Recovery of Regulatory Balances ⁷	1595	\$ -				\$ -	\$ -				\$ -	

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign as the opening principal amount (e.g., if the opening principal amount is negative, the disposition amount must also be negative) as per the related Board decision.

Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board. Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs were incurred. Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the Board's decision. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown of the adjustments. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28-31. For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transfer of balances from the 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31, 2011. Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances applicable to the period. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, including the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include the underlying residual balance in account 1595.



lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521, and Account 1562. For further instructions, please refer to the attached notes and further instructions.

you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 continuity schedule is the 2011 rate year. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the Decent adjustment column AV for principal and column BA for interest. This will allow for the correct starting point for entries requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

2007											
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-07	Transactions Debit / (Credit) during 2007 excluding interest and adjustments ¹	Board-Approved Disposition during 2007	Adjustments during 2007 - other ²	Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec-31-07	Board-Approved Disposition during 2007	Adjustments during 2007 - other ³	Closing Interest Amounts as of Dec-31-07
Group 1 Accounts											
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -
RSVA - Wholesale Market Service Charge	1580	\$ -				\$ -	\$ -				\$ -
RSVA - Retail Transmission Network Charge	1584	\$ -				\$ -	\$ -				\$ -
RSVA - Retail Transmission Connection Charge	1586	\$ -				\$ -	\$ -				\$ -
RSVA - Power (excluding Global Adjustment)	1588	\$ -				\$ -	\$ -				\$ -
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -				\$ -	\$ -				\$ -
Recovery of Regulatory Asset Balances	1590	-\$ 50,500	\$ 108,564			\$ 58,064	-\$ 55,796	-\$ 104			-\$ 55,900
Disposition and Recovery of Regulatory Balances (2008) ⁷	1595	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances (2009) ⁷	1595	\$ -				\$ -	\$ -				\$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		-\$ 50,500	\$ 108,564	\$ -	\$ -	\$ 58,064	-\$ 55,796	-\$ 104	\$ -	\$ -	-\$ 55,900
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-\$ 50,500	\$ 108,564	\$ -	\$ -	\$ 58,064	-\$ 55,796	-\$ 104	\$ -	\$ -	-\$ 55,900
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Purpose Charge Assessment Variance Account											
	1521										
Deferred Payments in Lieu of Taxes	1562	-\$ 7,495				-\$ 7,495	\$ 104,005	-\$ 354			\$ 103,650
Group 1 Total + 1521 + 1562		-\$ 57,995	\$ 108,564	\$ -	\$ -	\$ 50,569	\$ 48,209	-\$ 458	\$ -	\$ -	\$ 47,750
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances ⁷	1595	\$ -				\$ -	\$ -				\$ -

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign as the opening principal amount (e.g., if the opening principal is negative, the disposition must also be negative) as per the related Board decision.

Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board. Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs were incurred. Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the Board's decision. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown of the adjustments. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28-31. For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transfer of balances from the 2011 rate year to the 2012 rate year. If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31, 2011. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, including the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include the underlying residual balance in account 1595.



lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521, footnotes and further instructions.

you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 received approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the Decent adjustment column AV for principal and column BA for interest. This will allow for the correct starting point for requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

2008											
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-08	Transactions Debit/ (Credit) during 2008 excluding interest and adjustments ¹	Board-Approved Disposition during 2008	Adjustments during 2008 - other ²	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec-31-08	Board-Approved Disposition during 2008	Adjustments during 2008 - other ³	Closing Interest Amounts as of Dec-31-08
Group 1 Accounts											
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -
RSVA - Wholesale Market Service Charge	1580	\$ -				\$ -	\$ -				\$ -
RSVA - Retail Transmission Network Charge	1584	\$ -				\$ -	\$ -				\$ -
RSVA - Retail Transmission Connection Charge	1586	\$ -				\$ -	\$ -				\$ -
RSVA - Power (excluding Global Adjustment)	1588	\$ -				\$ -	\$ -				\$ -
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -				\$ -	\$ -				\$ -
Recovery of Regulatory Asset Balances	1590	\$ 58,064	\$ 36,759			\$ 94,823	\$ 55,900	\$ 3,326			\$ 52,574
Disposition and Recovery of Regulatory Balances (2008) ⁷	1595	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances (2009) ⁷	1595	\$ -				\$ -	\$ -				\$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		\$ 58,064	\$ 36,759	\$ -	\$ -	\$ 94,823	\$ 55,900	\$ 3,326	\$ -	\$ -	\$ 52,574
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		\$ 58,064	\$ 36,759	\$ -	\$ -	\$ 94,823	\$ 55,900	\$ 3,326	\$ -	\$ -	\$ 52,574
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Purpose Charge Assessment Variance Account											
	1521										
Deferred Payments in Lieu of Taxes	1562	-\$ 7,495				-\$ 7,495	\$ 103,650	-\$ 298			\$ 103,352
Group 1 Total + 1521 + 1562		\$ 50,569	\$ 36,759	\$ -	\$ -	\$ 87,328	\$ 47,750	\$ 3,028	\$ -	\$ -	\$ 50,778
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances ⁷	1595	\$ -				\$ -	\$ -				\$ -

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign as the opening principal amount (e.g., if the opening principal is negative, the disposition must also be negative) as per the related Board decision.

Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board. Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs were allocated to account 1521. Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the Board's decision. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown in rows 28. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28. For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transfer of the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31, 2011, Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances applicable. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, including support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include the underlying residual balance in account 1595.



lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521
otnotes and further instructions.

you have received approval to dispose of balances from prior years, the starting point for entries in the 2012
received approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the Decent
djustment column AV for principal and column BA for interest. This will allow for the correct starting point for
quiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

2009											
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-09	Transactions Debit/ (Credit) during 2009 excluding interest and adjustments ³	Board-Approved Disposition during 2009	Adjustments during 2009 - other ³	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Adjustments during 2009 - other ³	Closing Interest Amounts as of Dec-31-09
Group 1 Accounts											
LV Variance Account	1550	\$ -	-\$ 42,809			-\$ 42,809	\$ -	-\$ 178			-\$ 178
RSVA - Wholesale Market Service Charge	1580	\$ -	-\$ 114,669			-\$ 114,669	\$ -	-\$ 1,182			-\$ 1,182
RSVA - Retail Transmission Network Charge	1584	\$ -	-\$ 321,110			-\$ 321,110	\$ -	-\$ 1,841			-\$ 1,841
RSVA - Retail Transmission Connection Charge	1586	\$ -	-\$ 67,338			\$ 67,338	\$ -	-\$ 1,564			-\$ 1,564
RSVA - Power (excluding Global Adjustment)	1588	\$ -	-\$ 93,856			\$ 93,856	\$ -	\$ 91			\$ 91
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -	\$ 812,186			\$ 812,186	\$ -	\$ 874			\$ 874
Recovery of Regulatory Asset Balances	1590	\$ 94,823				\$ 94,823	-\$ 52,574	\$ 1,079			-\$ 51,495
Disposition and Recovery of Regulatory Balances (2008) ⁷	1595	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances (2009) ⁷	1595	\$ -				\$ -	\$ -				\$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		\$ 94,823	\$ 494,792	\$ -	\$ -	\$ 589,615	-\$ 52,574	-\$ 2,722	\$ -	\$ -	-\$ 55,296
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		\$ 94,823	-\$ 317,394	\$ -	\$ -	-\$ 222,571	-\$ 52,574	-\$ 3,596	\$ -	\$ -	-\$ 56,170
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -	\$ 812,186	\$ -	\$ -	\$ 812,186	\$ -	\$ 874	\$ -	\$ -	\$ 874
Special Purpose Charge Assessment Variance Account 1521											
Deferred Payments in Lieu of Taxes 1562	1562	-\$ 7,495				-\$ 7,495	\$ 103,352	-\$ 85			\$ 103,267
Group 1 Total + 1521 + 1562		\$ 87,328	\$ 494,792	\$ -	\$ -	\$ 582,121	\$ 50,778	-\$ 2,807	\$ -	\$ -	\$ 47,971
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PiLs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PiLs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PiLs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances ⁷	1595	\$ -				\$ -	\$ -				\$ -

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign
have a negative figure) as per the related Board decision.

Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board
Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs
Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of
Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved di
Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28
For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the trans
If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31,
Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from Janu
recorded from May 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances app
Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period h
support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, incl



lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521, and Account 1595. For further instructions, please refer to the attached notes and further instructions.

you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 continuity schedule is the 2011 rate year. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the Decent adjustment column AV for principal and column BA for interest. This will allow for the correct starting point for entries requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

		2010												
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-10	Transactions Debit / (Credit) during 2010 excluding interest and adjustments ¹	Board-Approved Disposition during 2010	Other ³ Adjustments during Q1 2010	Other ³ Adjustments during Q2 2010	Other ³ Adjustments during Q3 2010	Other ³ Adjustments during Q4 2010	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other ³	Closing Interest Amounts as of Dec-31-10
Group 1 Accounts														
LV Variance Account	1550	-\$ 42,809	-\$ 14,640						-\$ 57,448	-\$ 178	-\$ 943		\$ 439	-\$ 682
RSVA - Wholesale Market Service Charge	1580	-\$ 114,669	-\$ 586,655						-\$ 701,325	-\$ 1,182	-\$ 3,415		\$ 1,759	-\$ 2,839
RSVA - Retail Transmission Network Charge	1584	-\$ 321,110	\$ 28,679						-\$ 292,431	-\$ 1,841	-\$ 2,750		\$ 3,497	-\$ 1,094
RSVA - Retail Transmission Connection Charge	1586	\$ 67,338	\$ 125,612						\$ 192,951	-\$ 1,564	\$ 1,068		\$ 4,441	\$ 3,944
RSVA - Power (excluding Global Adjustment)	1588	\$ 93,856	\$ 46,846						\$ 140,702	\$ 91	\$ 141			\$ 232
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 812,186	-\$ 95,446						\$ 716,740	\$ 874	\$ 3,190			\$ 4,064
Recovery of Regulatory Asset Balances	1590	\$ 94,823							\$ 94,823	-\$ 51,495	\$ 756			-\$ 50,739
Disposition and Recovery of Regulatory Balances (2008) ⁷	1595	\$ -							\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances (2009) ⁷	1595	\$ -							\$ -	\$ -				\$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		\$ 589,615	-\$ 495,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,012	-\$ 55,296	-\$ 1,954	\$ -	\$ 10,136	-\$ 47,113
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-\$ 222,571	-\$ 400,157	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 622,728	-\$ 56,170	-\$ 5,143	\$ -	\$ 10,136	-\$ 51,177
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 812,186	-\$ 95,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 716,740	\$ 874	\$ 3,190	\$ -	\$ -	\$ 4,064
Special Purpose Charge Assessment Variance Account	1521		-\$ 114,813	-\$ 227,819				-\$ 107,349	\$ 5,657		\$ 1,009			\$ 1,009
Deferred Payments in Lieu of Taxes	1562	-\$ 7,495							-\$ 7,495	\$ 103,267	-\$ 60			\$ 103,207
Group 1 Total + 1521 + 1562		\$ 582,121	-\$ 610,415	-\$ 227,819	\$ -	\$ -	\$ -	-\$ 107,349	\$ 92,175	\$ 47,971	-\$ 1,004	\$ -	\$ 10,136	\$ 57,103
The following is not included in the total claim but are included on a memo basis:														
Board-Approved CDM Variance Account	1567								\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592								\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592		\$ 44,940						\$ 44,940	\$ -	\$ 960			\$ 960
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -	-\$ 44,940						-\$ 44,940	\$ -				\$ -
Disposition and Recovery of Regulatory Balances ⁷	1595	\$ -	-\$ 280,249	-\$ 2,086,274					\$ 1,806,025	\$ -	\$ 12,095	-\$ 63,123		\$ 75,217

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign as the related Board decision.

Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board. Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs adjustments instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the adjustment. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown in rows 28. For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transfer of the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31, 2011. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances applicable. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, including the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include the underlying residual balance in account 1595.



lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521
otnotes and further instructions.

you have received approval to dispose of balances from prior years, the starting point for entries in the 2012
received approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the Decent
djustment column AV for principal and column BA for interest. This will allow for the correct starting point for
quiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

		2011				Projected Interest on Dec-31-10 Balances				2.1.7 RRR	
Account Descriptions	Account Number	Principal Disposition during 2011 - instructed by Board	Interest Disposition during 2011 - instructed by Board	Closing Principal Balances as of Dec 31-10 Adjusted for Dispositions during 2011	Closing Interest Balances as of Dec 31-10 Adjusted during 2011 Disposition	Projected Interest from Jan 1, 2011 to December 31, 2011 on Dec 31 -10 balance adjusted for disposition during 2011 ⁵	Projected Interest from January 1, 2012 to April 30, 2012 on Dec 31 -10 balance adjusted for disposition during 2011 ^{6, 7}	Total Claim	As of Dec 31-10 ⁴	Variance RRR vs. 2010 Balance (Principal + Interest)	
Group 1 Accounts											
LV Variance Account	1550			\$ 57,448	\$ 682	\$ 844	\$ 281	\$ 57,004	\$ 58,130	\$ -	
RSVA - Wholesale Market Service Charge	1580			\$ 701,325	\$ 2,839	\$ 10,309	\$ 3,436	\$ 711,036	\$ 704,163	\$ -	
RSVA - Retail Transmission Network Charge	1584			\$ 292,431	\$ 1,094	\$ 4,299	\$ 1,433	\$ 299,257	\$ 293,525	\$ 0	
RSVA - Retail Transmission Connection Charge	1586			\$ 192,951	\$ 3,944	\$ 2,836	\$ 945	\$ 200,677	\$ 196,895	\$ 0	
RSVA - Power (excluding Global Adjustment)	1588			\$ 140,702	\$ 232	\$ 2,068	\$ 689	\$ 143,692	\$ 140,934	\$ 0	
RSVA - Power - Sub-Account - Global Adjustment	1588			\$ 716,740	\$ 4,064	\$ 10,536	\$ 3,512	\$ 734,852	\$ 720,804	\$ 0	
Recovery of Regulatory Asset Balances	1590			\$ 94,823	\$ 50,739	\$ 1,394	\$ 465	\$ 45,943	\$ 44,084	\$ 0	
Disposition and Recovery of Regulatory Balances (2008) ⁷	1595			\$ -	\$ -			\$ -		\$ -	
Disposition and Recovery of Regulatory Balances (2009) ⁷	1595			\$ -	\$ -			\$ -		\$ -	
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		\$ -	\$ -	\$ 94,012	\$ 47,113	\$ 3,071	\$ 7,897	\$ 57,867	\$ 46,899	\$ 0	
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		\$ -	\$ -	\$ 622,728	\$ 51,177	\$ 7,465	\$ 4,385	\$ 676,985	\$ 673,905	\$ 0	
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -	\$ -	\$ 716,740	\$ 4,064	\$ 10,536	\$ 3,512	\$ 734,852	\$ 720,804	\$ 0	
Special Purpose Charge Assessment Variance Account	1521					\$ 521	\$ 28	\$ 7,216	\$ 114,016	\$ 107,349	
Deferred Payments in Lieu of Taxes	1562			\$ 7,495	\$ 103,207	\$ 110	\$ 37	\$ 95,566	\$ 20,138	\$ 75,575	
Group 1 Total + 1521 + 1562		\$ -	\$ -	\$ 86,518	\$ 56,094	\$ 3,482	\$ 7,888	\$ 160,648	\$ 181,053	\$ 31,774	
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567							\$ -	\$ -	\$ -	
PiLs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592							\$ -		\$ -	
PiLs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592					\$ 661	\$ 220	\$ 46,781	\$ 45,900	\$ -	
PiLs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592							\$ 44,940	\$ 44,940	\$ -	
Disposition and Recovery of Regulatory Balances ⁷	1595					\$ 26,549	\$ 8,850	\$ 1,845,845	\$ 1,881,243	\$ -	

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign
have a negative figure) as per the related Board decision.

Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board
Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs
Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of t
Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved di
Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28
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If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31,
Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from Janu
recorded from May 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances app
Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period h
support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, incl



Ontario Energy Board

3RD Generation Incentive Regulation Model

Festival Hydro Inc. - EB-2011-0167

In the green shaded cells, enter the most recent Board Approved volumetric forecast. If there is a material difference between the latest Board-approved volumetric forecast and the most recent 12-month actual volumetric data, use the most recent 12-month actual data.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008) ²	1595 Recovery Share Proportion (2009) ²
Residential	\$/kWh	141,132,375		27,584,014	-	5,329,813			
Residential - Hensall	\$/kWh	4,143,109		808,731	-	105,274			
General Service Less Than 50 kW	\$/kWh	67,469,308		14,512,693	-	1,664,350			
General Service 50 to 4,999 kW	\$/kW	58,511,270	147,282	55,615,184	139,992				
General Service 50 to 4,999 kW – Interval Metered	\$/kW	258,430,534	650,510	245,639,204	618,312				
Large Use	\$/kW	65,544,852	128,687	65,544,852	128,687	384,291			
Unmetered Scattered Load	\$/kWh	629,732		-	-	31,459			
Sentinel Lighting	\$/kW	234,690	679		-	6,428			
Street Lighting	\$/kW	3,904,130	11,255	2,801,582	8,077	93,904			
Total		600,000,000	938,413	412,506,260	895,068	7,615,519	0%	0%	0%

Total Claim (including Accounts 1521 and 1562)	\$	160,648

Total Claim for Threshold Test (All Group 1 Accounts)	\$	57,867

Threshold Test ³ (Total Claim per kWh)	0.00010

Claim does not meet the threshold test. If data has been entered on Sheet 9 for Accounts 1521 and 1562, the model will only dispose of Accounts 1521 and 1562.

¹ For Account 1562, the allocation to customer classes should be performed on the basis of the test year distribution revenue allocation to customer classes found in the Applicant's Cost of Service application that was most recently approved at the time of disposition of the 1562 account balance.

² Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

³ The Threshold Test does not include the amount in 1521 nor 1562.



No input required. This worksheet allocates the deferral/variance account balances (Group 1, 1521, 1588 GA and 1562) to the appropriate classes.

Allocation of Group 1 Accounts (Excluding Account 1588 - Global Adjustment)

Rate Class	Units	Billed kWh	% kWh	1550	1580	1584	1586	1588*	1590	1595 (2008)	1595 (2009)	1521	Total
Residential	\$/kWh	141,132,375	23.52%	0	0	0	0	0	0	0	0	1,697	1,697
Residential - Hensall	\$/kWh	4,143,109	0.69%	0	0	0	0	0	0	0	0	50	50
General Service Less Than 50 kW	\$/kWh	67,469,308	11.24%	0	0	0	0	0	0	0	0	811	811
General Service 50 to 4,999 kW	\$/kW	58,511,270	9.75%	0	0	0	0	0	0	0	0	704	704
General Service 50 to 4,999 kW – Interval Metered	\$/kW	258,430,534	43.07%	0	0	0	0	0	0	0	0	3,108	3,108
Large Use	\$/kW	65,544,852	10.92%	0	0	0	0	0	0	0	0	788	788
Unmetered Scattered Load	\$/kWh	629,732	0.10%	0	0	0	0	0	0	0	0	8	8
Sentinel Lighting	\$/kW	234,690	0.04%	0	0	0	0	0	0	0	0	3	3
Street Lighting	\$/kW	3,904,130	0.65%	0	0	0	0	0	0	0	0	47	47
Total		600,000,000	100.00%	(57,004)	(711,036)	(299,257)	200,677	143,692	45,943	0	0	7,216	7,216

* RSVA - Power (Excluding Global Adjustment)

1588 RSVA - Power (Global Adjustment Sub-Account)

Rate Class	non-RPP kWh	% kWh	1588
Residential	27,584,014	6.69%	-
Residential - Hensall	808,731	0.20%	-
General Service Less Than 50 kW	14,512,693	3.52%	-
General Service 50 to 4,999 kW	55,615,184	13.48%	-
General Service 50 to 4,999 kW – Interval Metered	245,639,204	59.55%	-
Large Use	65,544,852	15.89%	-
Unmetered Scattered Load	-	0.00%	-
Sentinel Lighting	-	0.00%	-
Street Lighting	2,801,582	0.68%	-
Total	412,506,260	100.00%	734,852

Allocation of Account 1562

	% of Distribution Revenue	Allocation of Balance in Account 1562
Residential	70.0%	66,883
Residential - Hensall	1.4%	1,321
General Service Less Than 50 kW	21.9%	20,886
General Service 50 to 4,999 kW	0.0%	-
General Service 50 to 4,999 kW – Interval Metered	0.0%	-
Large Use	5.0%	4,822
Unmetered Scattered Load	0.4%	395
Sentinel Lighting	0.1%	81
Street Lighting	1.2%	1,178

Total

100.0%	95,566



Ontario Energy Board

Deferral/ Variance Account Work Form

Festival Hydro Inc. - EB-2011-0167

No input required. This worksheet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and associated rate riders for the global adjustment sub-account.

Please indicate the Rate Rider Recovery Period
(in years)

Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Deferral/Variance Account Rate Rider		Account 1588 Global Adjustment	Billed kWh or Estimated kW for Non-RPP	Global Adjustment Rate Rider
Residential	\$/kWh	141,132,375	-	\$ 68,580	\$0.00049	\$/kWh	\$ -	27,584,014	\$0.00000
Residential - Hensall	\$/kWh	4,143,109	-	\$ 1,371	\$0.00033	\$/kWh	\$ -	808,731	\$0.00000
General Service Less Than 50 kW	\$/kWh	67,469,308	-	\$ 21,697	\$0.00032	\$/kWh	\$ -	14,512,693	\$0.00000
General Service 50 to 4,999 kW	\$/kW	58,511,270	147,282	\$ 704	\$0.00478	\$/kW	\$ -	139,992	\$0.00000
General Service 50 to 4,999 kW – Interval Metered	\$/kW	258,430,534	650,510	\$ 3,108	\$0.00478	\$/kW	\$ -	618,312	\$0.00000
Large Use	\$/kW	65,544,852	128,687	\$ 5,611	\$0.04360	\$/kW	\$ -	128,687	\$0.00000
Unmetered Scattered Load	\$/kWh	629,732	-	\$ 402	\$0.00064	\$/kWh	\$ -	-	\$0.00000
Sentinel Lighting	\$/kW	234,690	679	\$ 83	\$0.12295	\$/kW	\$ -	-	\$0.00000
Street Lighting	\$/kW	3,904,130	11,255	\$ 1,225	\$0.10887	\$/kW	\$ -	8,077	\$0.00000
Total		600,000,000	938,413	\$ 102,781			\$ -		



Ontario Energy Board

3RD Generation Incentive Regulation Model

Festival Hydro Inc. - EB-2011-0167

Below is a listing of the current Monthly Fixed Charges. All rates with expired effective dates have been removed. In columns "B", "K", and "M" (green cells), please enter all additional Monthly Fixed Charges you are proposing (eg: Smart Meter Funding Adder, etc). Please ensure that the word "Rider" or "Adder" is included in the description (as applicable).

Rate Description	Unit	Amount	Effective Until Date	Proposed Amount	Effective Until Date
Residential					
Service Charge	\$	14.78			
Smart Meter Funding Adder	\$			1.52	April 30, 2013
	\$				
	\$				
Residential - Hensall					
Service Charge	\$	12.49			
Smart Meter Funding Adder	\$			1.52	April 30, 2013
	\$				
	\$				
General Service Less Than 50 kW					
Service Charge	\$	28.87			
Smart Meter Funding Adder	\$			1.52	April 30, 2013
	\$				
	\$				
General Service 50 to 4,999 kW					
Service Charge	\$	221.05			
Smart Meter Funding Adder	\$			1.52	April 30, 2013
	\$				
	\$				
General Service 50 to 4,999 kW – Interval Metered					
Service Charge	\$	221.05			
Smart Meter Funding Adder	\$			1.52	April 30, 2013
	\$				
	\$				
Large Use					
Service Charge	\$	10648.16			

Smart Meter Funding Adder	\$		1.52	April 30, 2013
	\$			
	\$			
Unmetered Scattered Load				
Service Charge (per connection)	\$	12.65		
	\$			
	\$			
	\$			
Sentinel Lighting				
Service Charge (per connection)	\$	1.70		
	\$			
	\$			
	\$			
Street Lighting				
Service Charge	\$	0.92		
	\$			
	\$			
	\$			



Below is a listing of the current Distribution Volumetric Rates other than the base rates. All rates with expired effective dates have been removed. In columns "B", "K", and "M" (green cells), please enter all additional volumetric rates you are proposing (eg: LRAM/SSM, Tax Adjustments, etc.). Please ensure that the word "Rider" or "Adder" is included in the description (as applicable).

[illegible]



Ontario Energy Board

**3RD Generation Incentive
Regulation Model**

Festival Hydro Inc. - EB-2011-0167

Current RTSR-Network Rates are listed below. In column "K", please enter your proposed RTSR-Network Rates as per Sheet 13 of the Board's RTSR Workform.

Rate Description	Unit	Current Amount	% Adjustment	Proposed Amount
Residential				
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00580	5.172%	0.00610
Residential - Hensall				
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00580	5.172%	0.00610
General Service Less Than 50 kW				
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00500	6.000%	0.00530
General Service 50 to 4,999 kW				
Retail Transmission Rate – Network Service Rate	\$/kW	2.09380	5.812%	2.21550
General Service 50 to 4,999 kW – Interval Metered				
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.22380	5.810%	2.35300
Large Use				
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.46240	5.811%	2.60550
Unmetered Scattered Load				
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00500	6.000%	0.00530
Sentinel Lighting				
Retail Transmission Rate – Network Service Rate	\$/kW	1.58710	5.809%	1.67930
Street Lighting				
Retail Transmission Rate – Network Service Rate	\$/kW	1.57910	5.813%	1.67090



Ontario Energy Board

**3RD Generation Incentive
Regulation Model**

Festival Hydro Inc. - EB-2011-0167

Current RTSR-Connection Rates are listed below. In column "K", please enter your proposed RTSR-Connection Rates as per Sheet 13 of the Board's RTSR Workform.

Rate Description	Unit	Current Amount	% Adjustment	Proposed Amount
Residential				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00470	4.255%	0.00490
Residential - Hensall				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00470	4.255%	0.00490
General Service Less Than 50 kW				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00420	2.381%	0.00430
General Service 50 to 4,999 kW				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.67890	3.383%	1.73570
General Service 50 to 4,999 kW – Interval Metered				
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.84050	3.385%	1.90280
Large Use				
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.10470	3.383%	2.17590
Unmetered Scattered Load				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00420	2.381%	0.00430

Sentinel Lighting				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.32510	3.388%	1.37000
Street Lighting				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.29790	3.382%	1.34180



Festival Hydro Inc. - EB-2011-0167

If applicable, please enter any adjustments related to the revenue to cost ratio model into columns H and K.
 The Price Escalator has been set at the 2011 values and will be updated by Board staff. The Stretch Factor Value will also be updated by Board staff.

Price Escalator 1.30% Productivity Factor 0.72% Price Cap Index 0.18%

Choose Stretch Factor Group II Associated Stretch Factor Value 0.4%

Rate Description	Unit	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	Unit	DVR Adjustment from R/C Model	Price Cap Index	Proposed MFC	Proposed Volumetric Charge
Residential	\$	14.78	(0.03)	0.01640	\$/kWh	0.00000	0.180%	14.78	0.01643
Residential - Hensall	\$	12.49	1.18	0.01340	\$/kWh	0.00130	0.180%	13.69	0.01473
General Service Less Than 50 kW	\$	28.87	(0.30)	0.01450	\$/kWh	(0.00010)	0.180%	28.62	0.01443
General Service 50 to 4,999 kW	\$	221.05		2.26650	\$/kW		0.180%	221.45	2.27058
General Service 50 to 4,999 kW – Interval Metered	\$	221.05		2.26650	\$/kW		0.180%	221.45	2.27058
Large Use	\$	10,648.16	(85.32)	0.98810	\$/kW	(0.00790)	0.180%	10,581.85	0.98196
Unmetered Scattered Load	\$	12.65		0.01250	\$/kWh		0.180%	12.67	0.01252
Sentinel Lighting	\$	1.70	0.30	8.92310	\$/kW	1.57750	0.180%	2.00	10.51950
Street Lighting	\$	0.92	0.15	4.17980	\$/kW	0.68730	0.180%	1.07	4.87586



Ontario Energy Board

**3RD Generation Incentive
Regulation Model**

Festival Hydro Inc. - EB-2011-0167

Please enter the descriptions of the current Loss Factors from your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menu in the column labeled "Loss Factors". If the description is not found in the drop-down menu, please enter the description in the green cells under the correct classes.

Loss Factors

Total Loss Factor – Primary Metered Customer < 5,000 kW
Total Loss Factor – Primary Metered Customer > 5,000 kW
Total Loss Factor – Secondary Metered Customer < 5,000 kW
Total Loss Factor – Secondary Metered Customer > 5,000 kW

Current

1.0204
1.0075
1.0307
1.0176



The standard Allowance rates have been included as default entries. If you have different rates, please make the appropriate corrections in the green cells below. As well, please enter the current Specific Service Charges below. The standard Retail Service Charges have been entered below. If you have different rates, please make the appropriate corrections in columns B, D or E as applicable (cells are unlocked).

ALLOWANCES

\$/kW	(0.60)
%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

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

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

\$	15.00
\$	15.00
\$	15.00
\$	15.00
\$	30.00
\$	30.00

Non-Payment of Account

%	1.50
%	19.56
\$	30.00

Other

114

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

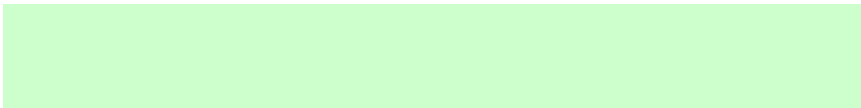
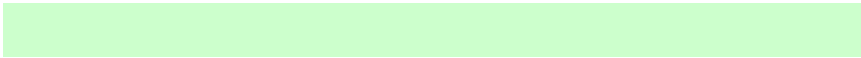
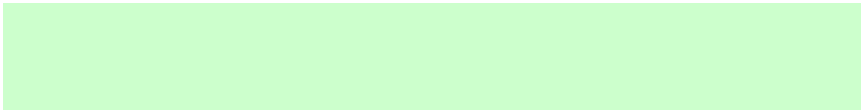
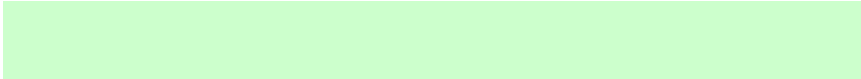
This schedule supersedes and replaces all previously approved schedules of Rates,

EB-2011-0167

RESIDENTIAL SERVICE CLASSIFICATION



APPLICATION



MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	14.78
Smart Meter Funding Adder - Effective Until April 30, 2013	\$	1.52
Distribution Volumetric Rate	\$/kWh	0.0164
Low Voltage Service Rate - Effective Until	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) - Eff	\$/kWh	-0.0009
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kWh	0.0006
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kWh	0.0004
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kWh	-0.0005
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kWh	0.0005
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate – Line and Transformation Connection	\$/kWh	0.0049

MONTHLY RATES AND CHARGES – Regulatory Component

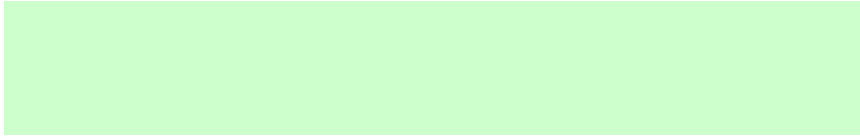
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

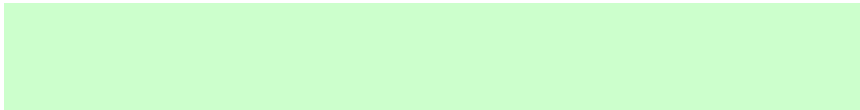
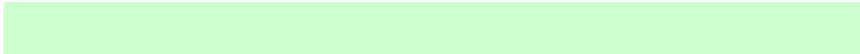
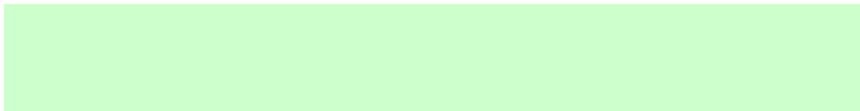
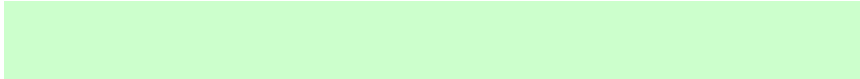
This schedule supersedes and replaces all previously approved schedules of Rates,

EB-2011-0167

RESIDENTIAL - HENSALL SERVICE CLASSIFICATION



APPLICATION



MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	13.69
Smart Meter Funding Adder - Effective Until April 30, 2013	\$	1.52
Distribution Volumetric Rate	\$/kWh	0.0147
Low Voltage Service Rate - Effective Until	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) - Eff	\$/kWh	-0.001
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kWh	0.0006
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kWh	0.0004
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kWh	-0.0003
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate – Line and Transformation Connection	\$/kWh	0.0049

MONTHLY RATES AND CHARGES – Regulatory Component

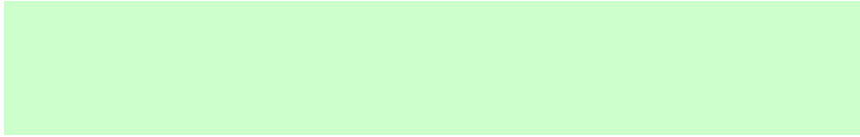
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

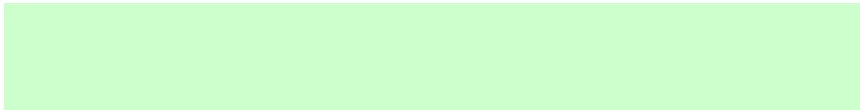
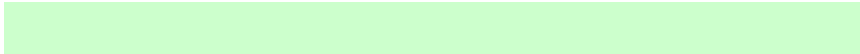
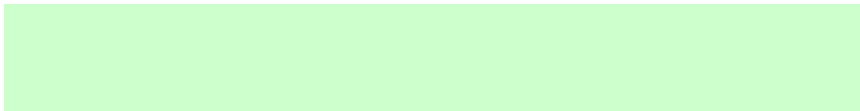
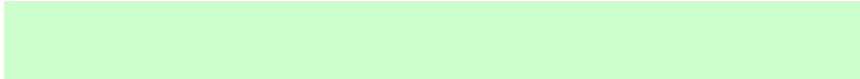
This schedule supersedes and replaces all previously approved schedules of Rates,

EB-2011-0167

GENERAL SERVICE LESS THAN 50 KW SERVICE



APPLICATION



MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	28.62
Smart Meter Funding Adder - Effective Until April 30, 2013	\$	1.52
Distribution Volumetric Rate	\$/kWh	0.0144
Low Voltage Service Rate - Effective Until	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) - Eff	\$/kWh	-0.001
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kWh	0.0001
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kWh	0.0005
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kWh	-0.0003
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection	\$/kWh	0.0043

MONTHLY RATES AND CHARGES – Regulatory Component

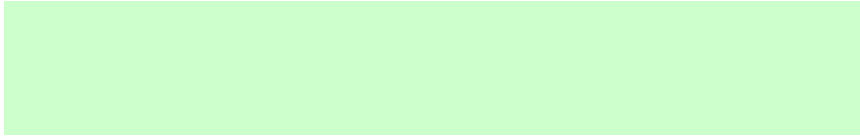
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

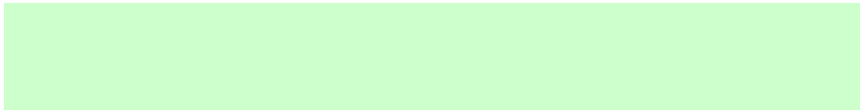
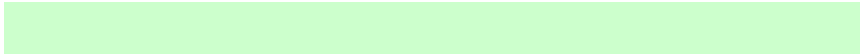
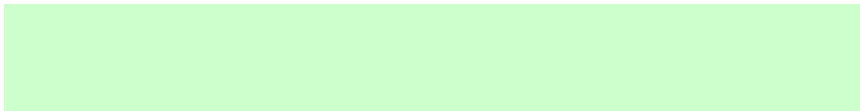
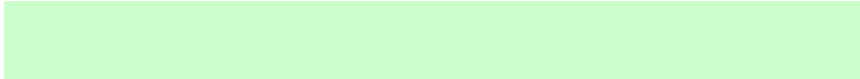
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EB-2011-0167

GENERAL SERVICE 50 TO 4,999 KW SERVICE



APPLICATION



MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	221.45
Smart Meter Funding Adder - Effective Until April 30, 2013	\$	1.52
Distribution Volumetric Rate	\$/kW	2.2706
Low Voltage Service Rate - Effective Until	\$/kW	0.0689
Rate Rider for Deferral/Variance Account Disposition (2010) - Eff	\$/kW	-0.3508
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kW	0.0389
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kW	0.0099
Rate Rider for Tax Change - Effective Until January 00, 1900	\$/kW	-0.0358
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kW	0.0048
Retail Transmission Rate – Network Service Rate	\$/kW	2.2155
Retail Transmission Rate – Line and Transformation Connection	\$/kW	1.7357

MONTHLY RATES AND CHARGES – Regulatory Component

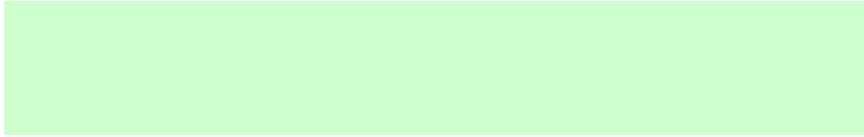
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

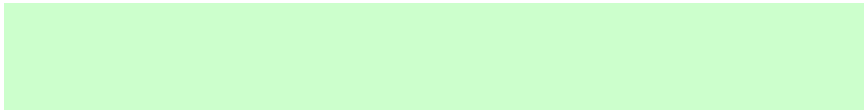
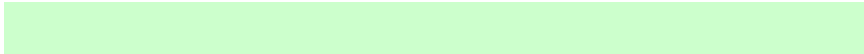
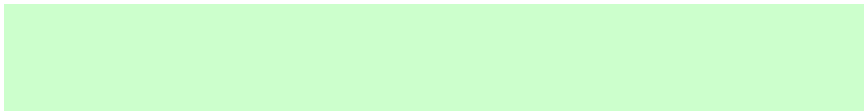
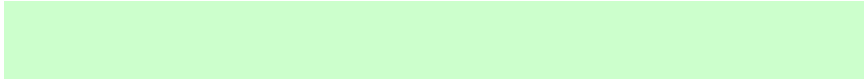
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GENERAL SERVICE 50 TO 4,999 KW – INTERVAL METERED



APPLICATION



MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	221.45
Smart Meter Funding Adder - Effective Until April 30, 2013	\$	1.52
Distribution Volumetric Rate	\$/kW	2.2706
Low Voltage Service Rate - Effective Until	\$/kW	0.0689
Rate Rider for Deferral/Variance Account Disposition (2010) - Eff	\$/kW	-0.3508
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kW	0.0389
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kW	0.0099
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kW	-0.0358
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kW	0.0048
Retail Transmission Rate – Network Service Rate – Interval Mete	\$/kW	2.353
Retail Transmission Rate – Line and Transformation Connection	\$/kW	1.9028

MONTHLY RATES AND CHARGES – Regulatory Component

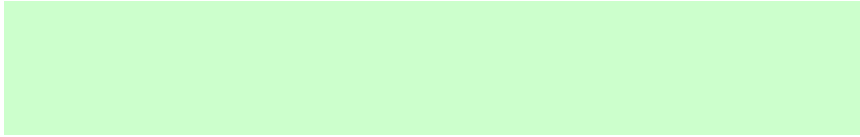
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

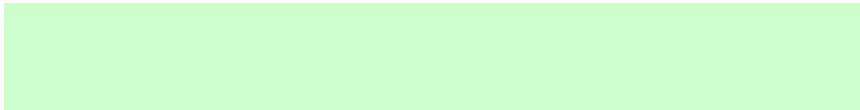
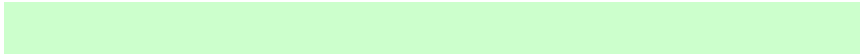
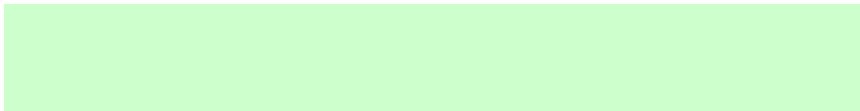
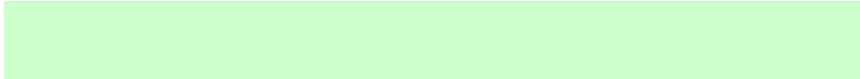
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EB-2011-0167

LARGE USE SERVICE CLASSIFICATION



APPLICATION



MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10581.85
Smart Meter Funding Adder - Effective Until April 30, 2013	\$	1.52
Distribution Volumetric Rate	\$/kW	0.982
Low Voltage Service Rate - Effective Until	\$/kW	0.0801
Rate Rider for Deferral/Variance Account Disposition (2010) - Eff	\$/kW	-0.4507
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kW	0.191
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Re	\$/kW	0.0032
Rate Rider for Tax Change - Effective Until April 30, 2013		-0.0355
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kW	0.0436
Retail Transmission Rate – Network Service Rate – Interval Mete	\$/kW	2.6055
Retail Transmission Rate – Line and Transformation Connection	\$/kW	2.1759

MONTHLY RATES AND CHARGES – Regulatory Component

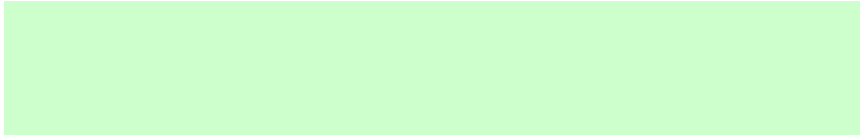
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

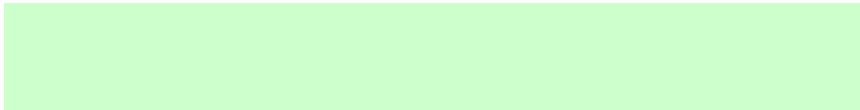
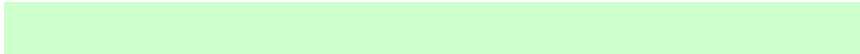
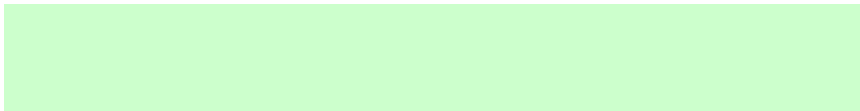
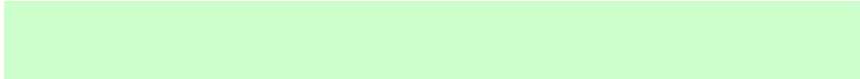
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EB-2011-0167

UNMETERED SCATTERED LOAD SERVICE



APPLICATION



MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	12.67
Distribution Volumetric Rate	\$/kWh	0.0125
Low Voltage Service Rate - Effective Until	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) - Eff	\$/kWh	-0.0008
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kWh	-0.0006
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kWh	0.0006
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection	\$/kWh	0.0043

MONTHLY RATES AND CHARGES – Regulatory Component

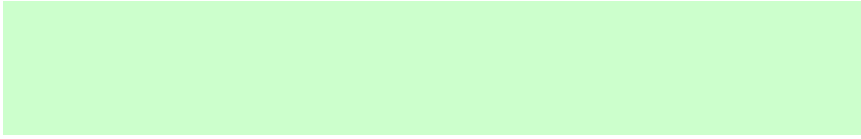
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

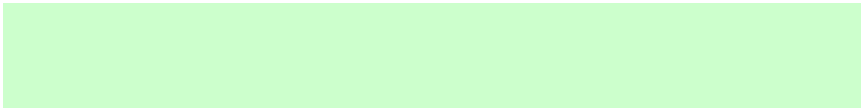
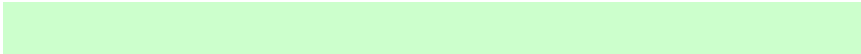
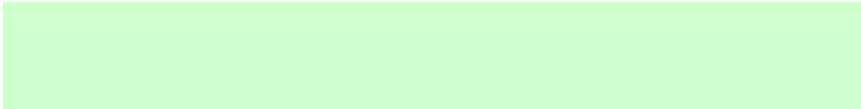
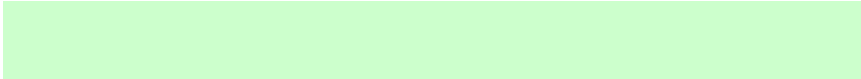
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EB-2011-0167

SENTINEL LIGHTING SERVICE CLASSIFICATION



APPLICATION



MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.00
Distribution Volumetric Rate	\$/kW	10.5195
Low Voltage Service Rate - Effective Until	\$/kW	0.0504
Rate Rider for Deferral/Variance Account Disposition (2010) - Eff	\$/kW	-0.3881
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kW	-0.1362
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kW	0.123
Retail Transmission Rate – Network Service Rate	\$/kW	1.6793
Retail Transmission Rate – Line and Transformation Connection	\$/kW	1.37

MONTHLY RATES AND CHARGES – Regulatory Component

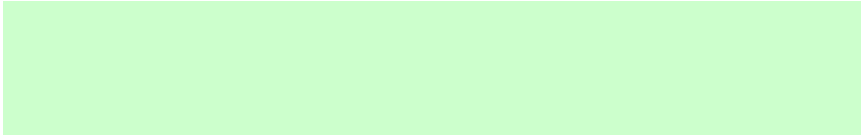
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

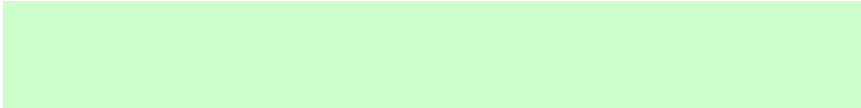
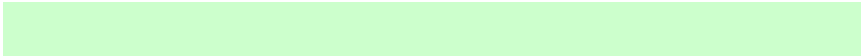
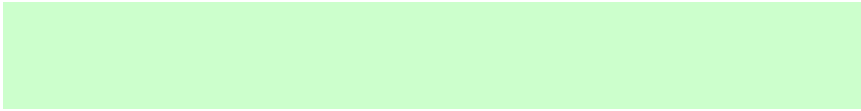
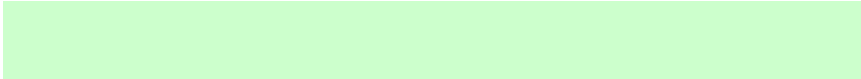
This schedule supersedes and replaces all previously approved schedules of Rates,

EB-2011-0167

STREET LIGHTING SERVICE CLASSIFICATION



APPLICATION



MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	1.07
Distribution Volumetric Rate	\$/kW	4.8759
Low Voltage Service Rate - Effective Until	\$/kW	0.0494
Rate Rider for Deferral/Variance Account Disposition (2010) - Eff	\$/kW	-0.2751
Rate Rider for Tax Change - Effective Until April 30, 2013	\$/kW	-0.1191
Rate Rider for Deferral/Variance Account Disposition (2012)	\$/kW	0.1089
Retail Transmission Rate – Network Service Rate	\$/kW	1.6709
Retail Transmission Rate – Line and Transformation Connection	\$/kW	1.3418

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates,

EB-2011-0167

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Condition of Service.

APPLICATION

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

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule unless required by the Distributor's Licence

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.25

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates,

EB-2011-0167

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand \$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to n %	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the D Order of the Board, and amendments thereto as approved by the Board, which may be app administration of this schedule

No charges to meet the costs of any work or service done or furnished for the purpose of th shall be made except as permitted by this schedule, unless required by the Distributor's Lic of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments, or credits that invoiced by a distributor and that are not subject to Board approval, such as the Debt Retire the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustme Energy Benefit and the HST.

Customer Administration

Arrears certificate	\$	15.00
Income tax letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus cre	\$	30.00
Meter dispute charge plus Measurement Canada fees (if met	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Disconnect/Reconnect at pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole - after regular hours	\$	415.00
Install/Remove load control device - during regular hours	\$	65.00
Install/Remove load control device - after regular hours	\$	185.00
Service call - customer-owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
Temporary service install & remove - overhead - no transformer	\$	500.00
Temporary service install & remove - underground - no transform	\$	300.00
Temporary service install & remove - overhead - with transformer	\$	1000.00

Festival Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates,
RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the D Order of the Board, and amendments thereto as approved by the Board, which may be app administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any furnished for the purpose of the distribution of electricity shall be made except as permitted required by the Distributor's Licence or a Code or Order of the Board, and amendments the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity com Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable

It should be noted that this schedule does not list any charges, assessments, or credits that invoiced by a distributor and that are not subject to Board approval, such as the Debt Retire the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustme Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers r to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreem	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per reta	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting pai	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the R Settlement Code directly to retailers and customers, if not delivered electronically throug Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental del	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rate: will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0204
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0075
Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0307
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0176



Ontario Energy Board

3RD Generation Incentive
Regulation Model

Festival Hydro Inc. - EB-2011-0167

Rate Class

Residential

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	14.78	14.78
Smart Meter Funding Adder	1.52	1.52
Service Charge Rate Rider(s)	0.24	-
Distribution Volumetric Rate	0.01640	0.01643
Distribution Volumetric Rate Rider(s)	(0.00050)	0.00010
Low Voltage Volumetric Rate	0.00020	0.00020
Retail Transmission Rate – Network Service Rate	0.00580	0.00610
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00470	0.00490
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0307	1.0307

Consumption	800	kWh	kW
RPP Tier One	600	kWh	Load Factor

Current Loss Factor	1.0307
Proposed Loss Factor	1.0307

Residential	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	33.28%
Energy Second Tier (kWh)	224.56	0.0790	17.74	224.56	0.0790	17.74	0.00	0.00%	14.47%
Sub-Total: Energy			58.54			58.54	0.00	0.00%	47.75%
Service Charge	1	14.78	14.78	1	14.78	14.78	-0.00	(0.02)%	12.05%
Service Charge Rate Rider(s)	1	1.76	1.76	1	1.52	1.52	-0.24	(13.64)%	1.24%
Distribution Volumetric Rate	800	0.0164	13.12	800	0.0164	13.14	0.02	0.18%	10.72%
Low Voltage Volumetric Rate	800	0.0002	0.16	800	0.0002	0.16	0.00	0.00%	0.13%
Distribution Volumetric Rate Rider(s)	800	(0.0005)	(0.40)	800	0.0001	0.08	0.48	(120.00)%	0.07%
Total: Distribution			29.42			29.68	0.26	0.88%	24.21%
Retail Transmission Rate – Network Service Rate	824.56	0.0058	4.78	824.56	0.0061	5.03	0.25	5.17%	4.10%
Retail Transmission Rate – Line and Transformation Connection Service Rate	824.56	0.0047	3.88	824.56	0.0049	4.04	0.16	4.26%	3.30%
Total: Retail Transmission			8.66			9.07	0.41	4.76%	7.40%
Sub-Total: Delivery (Distribution and Retail Transmission)			38.08			38.75	0.67	1.77%	31.61%
Wholesale Market Service Rate	824.56	0.0052	4.29	824.56	0.0052	4.29	0.00	0.00%	3.50%
Rural Rate Protection Charge	824.56	0.0013	1.07	824.56	0.0013	1.07	0.00	0.00%	0.87%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.20%
Sub-Total: Regulatory			5.61			5.61			4.58%
Debt Retirement Charge (DRC)	800.00	0.00700	5.60	800	0.0070	5.60	0.00	0.00%	4.57%
Total Bill before Taxes			107.83			108.50	0.67	0.62%	88.50%
HST		13%	14.02		13%	14.11	0.09	0.62%	11.50%
Total Bill			121.85			122.61	0.76	0.62%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-12.18		(10%)	-12.26			
Total Bill (less OCEB)			109.66			110.34	0.68	0.62%	

Appendix E

V1.2



Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Choose Your Utility:

Application EB-2011-0167
OEB Application IRM3
LDC Licence #: ED-2002-0513

Application Contact Information

Name:

Title:

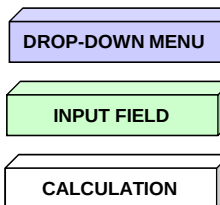
Phone Number:

Email Address:

We are applying for
rates effective:

Last COS Re-based Year

Legend



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[2. Table of Contents](#)

[3. Re-Based Billing Determinants and Rates](#)

[4. Re-Based Revenue from Rates](#)

[5. Z-Factor Tax Changes](#)

[6. Calculation of Tax Change Variable Rate Rider](#)



Ontario Energy Board

**2012 IRM 3 Tax
Savings Workform**

Festival Hydro Inc.

Enter your 2011 Base Monthly Fixed Charge and Distribution Volumetric Charge into columns labeled "Rate ReBal Base Service Charge" and "Rate ReBal Base Distribution Volumetric Rate kWh/kW" respectively.

Last COS Re-based Year was in 2010

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential Regular	Customer	kWh	17,115	141,132,375		14.78	0.0164	
RES	Residential - Hensall	Customer	kWh	413	4,143,109		12.49	0.0134	
GSLT50	General Service Less Than 50 kW	Customer	kWh	1,968	67,469,308		28.87	0.0145	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	221	316,941,804	797,792	221.05		2.2665
LU	Large Use	Customer	kW	2	65,544,852	128,687	10,648.16		0.9881
USL	Unmetered Scattered Load	Connection	kWh	156	629,732		12.65	0.0125	
Sen	Sentinel Lighting	Connection	kW	83	234,690	679	1.70		8.9231
SL	Street Lighting	Connection	kW	5,916	3,904,130	11,255	0.92		4.1798
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						



Ontario Energy Board

**2012 IRM 3 Tax
Savings Workform**

Festival Hydro Inc.

Calculating Re-Based Revenue from Rates. No input required.

Last COS Re-based Year was in 2010

Rate Class	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F	Service Charge Revenue G = A * D * 12	Distribution Volumetric Rate Revenue kWh H = B * E	Distribution Volumetric Rate Revenue kW I = C * F	Revenue Requirement from Rates J = G + H + I
Residential Regular	17,115	141,132,375	0	14.78	0.0164	0.0000	3,035,516	2,314,571	0	5,350,087
Residential - Hensall	413	4,143,109	0	12.49	0.0134	0.0000	61,900	55,518	0	117,418
General Service Less Than 50 kW	1,968	67,469,308	0	28.87	0.0145	0.0000	681,794	978,305	0	1,660,099
General Service 50 to 4,999 kW	221	316,941,804	797,792	221.05	0.0000	2.2665	586,225	0	1,808,196	2,394,420
Large Use	2	65,544,852	128,687	10,648.16	0.0000	0.9881	255,556	0	127,156	382,711
Unmetered Scattered Load	156	629,732	0	12.65	0.0125	0.0000	23,681	7,872	0	31,552
Sentinel Lighting	83	234,690	679	1.70	0.0000	8.9231	1,693	0	6,059	7,752
Street Lighting	5,916	3,904,130	11,255	0.92	0.0000	4.1798	65,313	0	47,044	112,356
							4,711,678	3,356,265	1,988,454	10,056,397



Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Festival Hydro Inc.

This worksheet calculates the tax sharing amount.

Step 1: Press the Update Button (this will clear all input cells and reveal your latest cost of service re-basing year).

Summary - Sharing of Tax Change Forecast Amounts

For the 2010 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)

\$ 24,000

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

Taxable Capital

2010

2012

\$ 42,140,000

\$ 42,140,000

Deduction from taxable capital up to \$15,000,000

\$ 15,000,000

\$ 15,000,000

Net Taxable Capital

\$ 27,140,000

\$ 27,140,000

Rate

0.150%

0.000%

Ontario Capital Tax (Deductible, not grossed-up)

\$ 20,188

\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

Regulatory Taxable Income

2010

2012

\$ 2,026,202

\$ 2,026,202

Corporate Tax Rate

29.51%

24.58%

Tax Impact

\$ 597,989

\$ 474,108

Grossed-up Tax Amount

\$ 848,366

\$ 628,651

Tax Related Amounts Forecast from Capital Tax Rate Changes

\$ 20,188

\$ -

Tax Related Amounts Forecast from Income Tax Rate Changes

\$ 848,366

\$ 628,651

Total Tax Related Amounts

\$ 868,554

\$ 628,651

Incremental Tax Savings

-\$ 239,903

Sharing of Tax Savings (50%)

-\$ 119,951



Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Festival Hydro Inc.

This worksheet calculates a tax change volumetric rate rider. No input required. The outputs in column Q and S are to be entered into Sheet 17 of the 2012 IRM Rate Generator Model.

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential Regular	\$5,350,087.3500	53.20%	-\$63,815	141,132,375	0	-\$0.0005	
Residential - Hensall	\$117,418	1.17%	-\$1,401	4,143,109	0	-\$0.0003	
General Service Less Than 50 kW	\$1,660,099	16.51%	-\$19,801	67,469,308	0	-\$0.0003	
General Service 50 to 4,999 kW	\$2,394,420	23.81%	-\$28,560	316,941,804	797,792		-\$0.0358
Large Use	\$382,711	3.81%	-\$4,565	65,544,852	128,687		-\$0.0355
Unmetered Scattered Load	\$31,552	0.31%	-\$376	629,732	0	-\$0.0006	
Sentinel Lighting	\$7,752	0.08%	-\$92	234,690	679		-\$0.1362
Street Lighting	\$112,356	1.12%	-\$1,340	3,904,130	11,255		-\$0.1191
	\$10,056,397	100.00%	-\$119,951				

H

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Appendix F



Ontario Energy Board
**Revenue/Cost Ratio
Model**

Choose Your Utility:
 Festival Hydro Inc.
 Fort Frances Power Corporation

Application ED-2002-0513
 OEB Application IRM3
 LDC Licence #: EB-2011-0167

Application Contact Information

Name:

Debbie Reece

Title:

Secretary Treasurer

Phone Number:

519-271-4703 x.268

Email Address:

dreece@festivalhydro.com

We are applying for rates effective:

May 1, 2012

Last COS Re-based Year

2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION

Copyright

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While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.



<u>1. Info</u>	<u>8. Transformer Allowance</u>
<u>2. Table of Contents</u>	<u>9. R C Ratio Revenue</u>
<u>3. Re-Based Bill Det & Rates</u>	<u>10. Proposed R C Ratio Adj</u>
<u>4. Removal of Rate Adders</u>	<u>11. Proposed Revenue</u>
<u>5. Re-Based Rev From Rates</u>	<u>12. Proposed F V Rev Alloc</u>
<u>6. Decision Cost Revenue Adj</u>	<u>13. Proposed F V Rates</u>
<u>7. Revenue Offsets Allocation</u>	<u>14. Adjust To Proposed Rates</u>



Ontario Energy Board

Revenue/Cost Ratio Model

Festival Hydro Inc.

The purpose of this sheet is to set up the rate classes, enter the re-based billing determinants from your last cost of service application and enter the current service charge and volumetric distribution rates as found on your May 1, 2011 (or subsequent) Tariff of rates and charges.

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Current Tariff Service Charge D	Current Tariff Distribution Volumetric Rate kWh E	Current Tariff Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	17,115	141,132,375		14.78	0.0164	
RES	Residential - Hensall	Customer	kWh	413	4,143,109		12.49	0.0134	
GSLT50	General Service Less Than 50 kW	Customer	kWh	1,968	67,469,308		28.87	0.0145	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	221	316,941,804	797,792	221.05		2.2665
LU	Large Use	Customer	kW	2	128,687	128,687	10,648.16		0.9881
USL	Unmetered Scattered Load	Connection	kWh	156	629,732		12.65	0.0125	
Sen	Sentinel Lighting	Connection	kW	83	234,690	679	1.70		8.9231
SL	Street Lighting	Connection	kW	5,916	3,904,130	11,255	0.92		4.1798
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						



Ontario Energy Board

Revenue/Cost Ratio Model

Festival Hydro Inc.

The purpose of this sheet is to remove any rate adders included in current rates. Most applicants will not need to make an entry on this sheet.

Rate Class	Current Tariff Service Charge A	Current Tariff Distribution Volumetric Rate kWh B	Current Tariff Distribution Volumetric Rate kW C	Service Charge Rate Adders D	Distribution Volumetric kWh Rate Adders E	Distribution Volumetric kW Rate Adders F
Residential	14.78	0.0164	0.0000	0.00	0.0000	0.0000
Residential - Hensall	12.49	0.0134	0.0000	0.00	0.0000	0.0000
General Service Less Than 50 kW	28.87	0.0145	0.0000	0.00	0.0000	0.0000
General Service 50 to 4,999 kW	221.05	0.0000	2.2665	0.00	0.0000	0.0000
Large Use	10,648.16	0.0000	0.9881	0.00	0.0000	0.0000
Unmetered Scattered Load	12.65	0.0125	0.0000	0.00	0.0000	0.0000
Sentinel Lighting	1.70	0.0000	8.9231	0.00	0.0000	0.0000
Street Lighting	0.92	0.0000	4.1798	0.00	0.0000	0.0000

4. Removal of Rate Adders



Ontario Energy Board

Revenue/Cost Ratio Model

Festival Hydro Inc.

The purpose of this sheet is to calculate current revenue from rate classes.

Rate Class	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Current Base Service Charge D	Current Base Distribution Volumetric Rate kWh E	Current Base Distribution Volumetric Rate kW F	Service Charge Revenue G = A * D * 12	Distribution Volumetric Rate Revenue kWh H = B * E	Distribution Volumetric Rate Revenue kW I = C * F	Revenue Requireme nt from Rates I
Residential	17,115	141,132,375	0	14.78	0.0164	0.0000	3,035,516	2,314,571	0	5,350,087
Residential - Hensall	413	4,143,109	0	12.49	0.0134	0.0000	61,900	55,518	0	117,418
General Service Less Than 50 kW	1,968	67,469,308	0	28.87	0.0145	0.0000	681,794	978,305	0	1,660,099
General Service 50 to 4,999 kW	221	316,941,804	797,792	221.05	0.0000	2.2665	586,225	0	1,808,196	2,394,420
Large Use	2	128,687	128,687	10,648.16	0.0000	0.9881	255,556	0	127,156	382,711
Unmetered Scattered Load	156	629,732	0	12.65	0.0125	0.0000	23,681	7,872	0	31,552
Sentinel Lighting	83	234,690	679	1.70	0.0000	8.9231	1,693	0	6,059	7,752
Street Lighting	5,916	3,904,130	11,255	0.92	0.0000	4.1798	65,313	0	47,044	112,356
							4,711,678	3,356,265	1,988,454	10,056,397



The purpose of this sheet is to enter the Revenue Cost Ratios as determined from column G on Sheet "C1.5 Proposed R C Ratio Adj" of the applicant's 2011 IRM3 Supplemental Filing Module or 2011 COS Decision and Order.

Under the column labeled "Direction", the applicant can choose "No Change" (i.e: no change in that rate class ratio), "Change" (i.e: Board ordered change from COS decision) or "Rebalance" (i.e: to apply any offset adjustments required).

Rate Class	Direction	Current Year 2011	Transition Year 1 2012	Transition Year 2 2013	Transition Year 3 2014	Transition Year 4 2015	Transition Year 5 2016
Residential	Rebalance	106.66%	tbd	tbd	tbd	tbd	tbd
Residential - Hensall	Change	91.00%	99.00%	106.27%	0.00%	0.00%	0.00%
General Service Less Than 50 kW	Change	113.13%	112.03%	112.03%	0.00%	0.00%	0.00%
General Service 50 to 4,999 kW	No Change	81.39%	81.39%	81.39%	81.39%	81.39%	81.39%
Large Use	Change	113.13%	112.03%	112.03%	0.00%	0.00%	0.00%
Unmetered Scattered Load	No Change	120.00%	120.00%	120.00%	120.00%	120.00%	120.00%
Sentinel Lighting	Change	60.00%	70.00%	70.00%	0.00%	0.00%	0.00%
Street Lighting	Change	60.60%	70.00%	70.00%	0.00%	0.00%	0.00%



The purpose of this sheet is to allocate the Revenue Offsets (miscellaneous revenue, cell F47) found in the last COS to the various rate classes in proportion to the allocation from the Cost Allocation informational filing.

Rate Class	Filing Revenue	Percentage Split	Allocated Revenue
	Offsets		Offsets
	A	C= A / B	E = D * C
Residential	412,176	60.80%	412,176
Residential - Hensall	9,050	1.33%	9,050
General Service Less Than 50 kW	99,107	14.62%	99,107
General Service 50 to 4,999 kW	138,171	20.38%	138,171
Large Use	9,888	1.46%	9,888
Unmetered Scattered Load	2,308	0.34%	2,308
Sentinel Lighting	471	0.07%	471
Street Lighting	6,746	1.00%	6,746
	677,917	100.00%	677,917
	B		D



Ontario Energy Board

Revenue/Cost Ratio Model

Festival Hydro Inc.



The purpose of this sheet is to remove the transformer allowance from volumetric rates. In Cell E47, enter your Transformer Allowance as per your 2011 IRM3 Supplemental Filing Module or your last CoS Decision. Under the column labeled "Transformer Allowance in Rates" select "Yes" if included in that rate class or "No" if not included. Once selected, apply the update button to reveal input cells in which you can enter the number of kW's and the transformer rate for each rate class.

Rate Class	Transformer Allowance In Rate	Transformer Allowance	Transformer Allowance kW's	Transformer Allowance Rate	Volumetric Distribution Rate	Billed kW's	Adjusted Volumetric Distribution Rate
		A	C	E	F	G	$I = (F * (G - C) + (F - E) * C) / G$
Residential	No						
Residential - Hensall	No						
General Service Less Than 50 kW	No						
General Service 50 to 4,999 kW	Yes	313,728	522,880	0.6000	2.2665	797,792	1.8733
Large Use	Yes	77,212	128,687	0.6000	0.9881	128,687	0.3881
Unmetered Scattered Load	No						
Sentinel Lighting	No						
Street Lighting	No						
		390,940	651,567			926,479	
		B	D			H	
		0					



Ontario Energy Board

Revenue/Cost Ratio Model

Festival Hydro Inc.

The purpose of this sheet is to calculate revenue by rate class that includes Revenue Offsets and excludes Transformer Allowance prior to Revenue Cost Ratio Adjustment re-allocation.

Rate Class	Billed Customers		Billed kWh	Billed kW	Base Service Charge	Base Distribution Volumetric Rate kWh	Base Distribution Volumetric Rate kW	Service Charge *12	Distribution Volumetric Rate kWh H = B * E	Distribution Volumetric Rate kW I = C * F	Revenue Requirement from Rates J = G + H + I
	Connections										
A	B	C	D	E	F						
Residential	17,115	141,132,375	0	0	14.78	0.0164	0.0000	3,035,516	2,314,571	0	5,350,087
Residential - Hensall	413	4,143,109	0	0	12.49	0.0134	0.0000	61,900	55,518	0	117,418
General Service Less Than 50 kW	1,968	67,469,308	0	0	28.87	0.0145	0.0000	681,794	978,305	0	1,660,099
General Service 50 to 4,999 kW	221	316,941,804	797,792	0	221.05	0.0000	1.8733	586,225	0	1,494,468	2,080,692
Large Use	2	128,687	128,687	0	#####	0.0000	0.3881	255,556	0	49,943	305,499
Unmetered Scattered Load	156	629,732	0	0	12.65	0.0125	0.0000	23,681	7,872	0	31,552
Sentinel Lighting	83	234,690	679	0	1.70	0.0000	8.9231	1,693	0	6,059	7,752
Street Lighting	5,916	3,904,130	11,255	0	0.92	0.0000	4.1798	65,313	0	47,044	112,356
								4,711,678	3,356,265	1,597,513	9,665,456



Ontario Energy Board

Revenue/Cost Ratio Model

Festival Hydro Inc.

Proposed Revenue Cost Ratio Adjustment

Rate Class	Adjusted Revenue A	Current Revenue Cost Ratio B	Re-Allocated Cost C = A / B	Proposed Revenue Cost Ratio D	Final Adjusted Revenue E = C * D	Dollar Change F = E - C	Percentage Change G = (E / C) - 1
Residential	\$ 5,762,263	1.07	\$ 5,402,460	1.07	\$ 5,762,263	\$ -	0.0%
Residential - Hensall	\$ 126,468	0.91	\$ 138,976	0.99	\$ 137,586	\$ 11,118	8.8%
General Service Less Than 50 kW	\$ 1,759,206	1.13	\$ 1,555,030	1.12	\$ 1,742,101	-\$ 17,105	-1.0%
General Service 50 to 4,999 kW	\$ 2,218,863	0.81	\$ 2,726,211	0.81	\$ 2,218,863	-\$ 0	0.0%
Large Use	\$ 315,387	1.13	\$ 278,783	1.12	\$ 312,321	-\$ 3,067	-1.0%
Unmetered Scattered Load	\$ 33,860	1.20	\$ 28,217	1.20	\$ 33,860	\$ 0	0.0%
Sentinel Lighting	\$ 8,223	0.60	\$ 13,705	0.70	\$ 9,593	\$ 1,370	16.7%
Street Lighting	\$ 119,102	0.61	\$ 196,538	0.70	\$ 137,577	\$ 18,475	15.5%
	<u>\$ 10,343,373</u>		<u>\$ 10,339,920</u>		<u>\$ 10,354,165</u>	<u>\$ 10,791</u>	<u>0.1%</u>

Out of Balance - **10,791**

Final ? **No**



Ontario Energy Board

Revenue/Cost Ratio Model

Festival Hydro Inc.

Proposed Revenue from Revenue Cost Ratio Adjustment

Rate Class	Adjusted	Allocated Re-	Revenue	Re-based	Revenue
	Revenue By	Based Revenue	Requirement		
	Cost Ratio	Offsets	from Rates Before Transformer Allowance	Transformer Allowance	Requirement from Rates
	A	B	C = A - B	D	E = C + D
Residential	\$ 5,762,263	\$ 412,176	\$ 5,350,087	\$ -	\$ 5,350,087
Residential - Hensall	\$ 137,586	\$ 9,050	\$ 128,536	\$ -	\$ 128,536
General Service Less Than 50 kW	\$ 1,742,101	\$ 99,107	\$ 1,642,994	\$ -	\$ 1,642,994
General Service 50 to 4,999 kW	\$ 2,218,863	\$ 138,171	\$ 2,080,692	\$ 313,728	\$ 2,394,420
Large Use	\$ 312,321	\$ 9,888	\$ 302,433	\$ 77,212	\$ 379,645
Unmetered Scattered Load	\$ 33,860	\$ 2,308	\$ 31,552	\$ -	\$ 31,552
Sentinel Lighting	\$ 9,593	\$ 471	\$ 9,122	\$ -	\$ 9,122
Street Lighting	\$ 137,577	\$ 6,746	\$ 130,831	\$ -	\$ 130,831
	\$ 10,354,165	\$ 677,917	\$ 9,676,248	\$ 390,940	\$10,067,188



Ontario Energy Board

Revenue/Cost Ratio Model

Festival Hydro Inc.

Proposed fixed and variable revenue allocation

Rate Class	Revenue Requirement from Rates A	Service Charge % Revenue B	Distribution Volumetric Rate % Revenue kWh C	Distribution Volumetric Rate % Revenue kW D	Service Charge Revenue E = A * B	Distribution Volumetric Rate Revenue kWh F = A * C	Distribution Volumetric Rate Revenue kW G = A * D	Revenue Requirement from Rates by Rate Class H = E + F + G
Residential	\$ 5,350,087	56.7%	43.3%	0.0%	\$ 3,035,516	\$ 2,314,571	\$ -	\$ 5,350,087
Residential - Hensall	\$ 128,536	52.7%	47.3%	0.0%	\$ 67,762	\$ 60,775	\$ -	\$ 128,536
General Service Less Than 50 kW	\$ 1,642,994	41.1%	58.9%	0.0%	\$ 674,769	\$ 968,225	\$ -	\$ 1,642,994
General Service 50 to 4,999 kW	\$ 2,394,420	24.5%	0.0%	75.5%	\$ 586,225	\$ -	\$ 1,808,196	\$ 2,394,420
Large Use	\$ 379,645	66.8%	0.0%	33.2%	\$ 253,508	\$ -	\$ 126,137	\$ 379,645
Unmetered Scattered Load	\$ 31,552	75.1%	24.9%	0.0%	\$ 23,681	\$ 7,872	\$ -	\$ 31,552
Sentinel Lighting	\$ 9,122	21.8%	0.0%	78.2%	\$ 1,993	\$ -	\$ 7,130	\$ 9,122
Street Lighting	\$ 130,831	58.1%	0.0%	41.9%	\$ 76,052	\$ -	\$ 54,779	\$ 130,831
	<u>\$ 10,067,188</u>				<u>\$ 4,719,505</u>	<u>\$ 3,351,442</u>	<u>\$ 1,996,241</u>	<u>\$ 10,067,188</u>



Ontario Energy Board
Revenue/Cost Ratio Model

Festival Hydro Inc.

Proposed fixed and variable rates

Rate Class	Service Charge Revenue A	Distribution Volumetric Rate Revenue kWh B	Distribution Volumetric Rate Revenue kW C	Re-based Billed Customers or Connections D	Re-based Billed kWh E	Re-based Billed kW F	Proposed Base Service Charge G = A / D / 12	Proposed Base Distribution Volumetric Rate kWh H = B / E	Proposed Base Distribution Volumetric Rate kW I = C / F
Residential	\$ 3,035,516	\$ 2,314,571	\$ -	17,115	141,132,375	0	14.78	0.0164	-
Residential - Hensall	\$ 67,762	\$ 60,775	\$ -	413	4,143,109	0	13.67	0.0147	-
General Service Less Than 50 kW	\$ 674,769	\$ 968,225	\$ -	1,968	67,469,308	0	28.57	0.0144	-
General Service 50 to 4,999 kW	\$ 586,225	\$ -	\$ 1,808,196	221	316,941,804	797,792	221.05	-	2.2665
Large Use	\$ 253,508	\$ -	\$ 126,137	2	128,687	128,687	10,562.84	-	0.9802
Unmetered Scattered Load	\$ 23,681	\$ 7,872	\$ -	156	629,732	0	12.65	0.0125	-
Sentinel Lighting	\$ 1,993	\$ -	\$ 7,130	83	234,690	679	2.00	-	10.5006
Street Lighting	\$ 76,052	\$ -	\$ 54,779	5,916	3,904,130	11,255	1.07	-	4.8671



Ontario Energy Board

Revenue/Cost Ratio Model

Festival Hydro Inc.

Proposed adjustments to Base Service Charge and Distribution Volumetric Rate. Enter the adjustments found in column M and N below into Sheet 17 of the 2012 IRM Rate Generator Model.

Rate Class	Proposed Base Service Charge A	Proposed Base Distribution Volumetric Rate kWh B	Proposed Base Distribution Volumetric Rate kW C	Current Base Service Charge D	Current Base Distribution Volumetric Rate kWh E	Current Base Distribution Volumetric Rate kW F	Adjustment Required Base Service Charge G = A - D	Adjustment Required Base Distribution Volumetric Rate kWh H = B - E	Adjustment Required Base Distribution Volumetric Rate kW I = C - F
Residential	\$ 14.78	\$ 0.0164	\$ -	\$ 14.78	\$ 0.0164	\$ -	\$ -	\$ -	\$ -
Residential - Hensall	\$ 13.67	\$ 0.0147	\$ -	\$ 12.49	\$ 0.0134	\$ -	\$ 1.18	\$ 0.0013	\$ -
General Service Less Than 50 kW	\$ 28.57	\$ 0.0144	\$ -	\$ 28.87	\$ 0.0145	\$ -	-\$ 0.30	-\$ 0.0001	\$ -
General Service 50 to 4,999 kW	\$ 221.05	\$ -	\$ 2.2665	\$ 221.05	\$ -	\$ 2.2665	\$ -	\$ -	\$ -
Large Use	\$ 10,562.84	\$ -	\$ 0.9802	\$ 10,648.16	\$ -	\$ 0.9881	-\$ 85.32	\$ -	-\$ 0.0079
Unmetered Scattered Load	\$ 12.65	\$ 0.0125	\$ -	\$ 12.65	\$ 0.0125	\$ -	\$ -	\$ -	\$ -
Sentinel Lighting	\$ 2.00	\$ -	\$ 10.5006	\$ 1.70	\$ -	\$ 8.9231	\$ 0.30	\$ -	\$ 1.5775
Street Lighting	\$ 1.07	\$ -	\$ 4.8671	\$ 0.92	\$ -	\$ 4.1798	\$ 0.15	\$ -	\$ 0.6873

Appendix G



Ontario Energy Board

**RTSR WORK FORM FOR
ELECTRICITY DISTRIBUTORS**

Choose Your Utility:

Application Type: IRM3

OEB Application #: EB-2011-0167

LDC Licence #: ED-2002-0513

Last COS OEB Application #: EB-2009-0263

Last COS Re-Basing Year: 2010

Application Contact InformationName: Title: Phone Number: Email Address: **Copyright**

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[9. Adj Network to Current WS](#)

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[12. Adj Conn. to Forecast WS](#)

[illegible]



Ontario Energy Board

**RTSR WORK FORM
FOR ELECTRICITY
DISTRIBUTORS**

Festival Hydro Inc. - EB-2011-0167 - IRM3

In the green shaded cells, enter the most recent reported RRR billing determinants. Please ensure that billing determinants are non-loss adjusted.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	137,431,624		1.0307		141,650,775	-
Residential - Hensall	kWh	3,885,021		1.0307		4,004,291	-
General Service Less Than 50 kW	kWh	65,179,456		1.0307		67,180,465	-
General Service 50 to 4,999 kW	kW	44,871,684	126,923		48.46%	44,871,684	126,923
General Service 50 to 4,999 kW – Interval Metered	kW	263,981,800	698,113		51.83%	263,981,800	698,113
Large Use	kW	52,043,067	98,358		72.52%	52,043,067	98,358
Unmetered Scattered Load	kWh	673,251		1.0307		693,920	-
Sentinel Lighting	kW	202,236	623		44.49%	202,236	623
Street Lighting	kW	4,058,593	10,947		50.82%	4,058,593	10,947



Ontario Energy Board

**RTSR WORK FORM
FOR ELECTRICITY
DISTRIBUTORS**

Festival Hydro Inc. - EB-2011-0167 - IRM3

Uniform Transmission Rates

	Unit	Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Rate Description		Rate	Rate	Rate
Network Service Rate	kW	\$ 2.97	\$ 3.22	\$ 3.22
Line Connection Service Rate	kW	\$ 0.73	\$ 0.79	\$ 0.79
Transformation Connection Service Rate	kW	\$ 1.71	\$ 1.77	\$ 1.77

Hydro One Sub-Transmission Rates

	Unit	Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Rate Description		Rate	Rate	Rate
Network Service Rate	kW	\$ 2.65	\$ 2.65	\$ 2.65
Line Connection Service Rate	kW	\$ 0.64	\$ 0.64	\$ 0.64
Transformation Connection Service Rate	kW	\$ 1.50	\$ 1.50	\$ 1.50
Both Line and Transformation Connection Service Rate	kW	\$ 2.14	\$ 2.14	\$ 2.14

Hydro One Sub-Transmission Rate Rider 6A

	Unit	Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Rate Description		Rate	Rate	Rate
RSVA Transmission network - 4714 - which affects 1584	kW	\$ 0.0470	\$ 0.0470	\$ 0.0470
RSVA Transmission connection - 4716 - which affects 1586	kW	-\$ 0.0250	-\$ 0.0250	-\$ 0.0250
RSVA LV - 4750 - which affects 1550	kW	\$ 0.0580	\$ 0.0580	\$ 0.0580
RARA 1 - 2252 - which affects 1590	kW	-\$ 0.0750	-\$ 0.0750	-\$ 0.0750
Hydro One Sub-Transmission Rate Rider 6A	kW	<u>\$ 0.0050</u>	<u>\$ 0.0050</u>	<u>\$ 0.0050</u>



Ontario Energy Board

**RTSR WORK FORM
FOR ELECTRICITY
DISTRIBUTORS**

Festival Hydro Inc. - EB-2011-0167 - IRM3

In the green shaded cells, enter billing detail for wholesale transmission for the same reporting period as the billing determinants on Sheet "4. RRR Data". For Hydro One Sub-transmission Rates, if you are charged a *combined* Line and Transformer connection rate, please ensure that both the line connection and transformer connection columns are completed.

IESO	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	79,983	\$2.97	\$ 237,550	82,218	\$0.73	\$ 60,019	82,218	\$1.71	\$ 140,593	\$ 200,612
February	77,016	\$2.97	\$ 228,738	80,066	\$0.73	\$ 58,448	80,066	\$1.71	\$ 136,913	\$ 195,361
March	73,209	\$2.97	\$ 217,431	76,559	\$0.73	\$ 55,888	76,559	\$1.71	\$ 130,916	\$ 186,804
April	72,534	\$2.97	\$ 215,426	73,367	\$0.73	\$ 53,558	73,367	\$1.71	\$ 125,458	\$ 179,015
May	81,336	\$2.97	\$ 241,568	85,852	\$0.73	\$ 62,672	85,852	\$1.71	\$ 146,807	\$ 209,479
June	84,149	\$2.97	\$ 249,923	86,160	\$0.73	\$ 62,897	86,160	\$1.71	\$ 147,334	\$ 210,230
July	91,823	\$2.97	\$ 272,714	93,499	\$0.73	\$ 68,254	93,499	\$1.71	\$ 159,883	\$ 228,138
August	91,201	\$2.97	\$ 270,867	93,279	\$0.73	\$ 68,094	93,279	\$1.71	\$ 159,507	\$ 227,601
September	90,878	\$2.97	\$ 269,908	93,099	\$0.73	\$ 67,962	93,099	\$1.71	\$ 159,199	\$ 227,162
October	71,584	\$2.97	\$ 212,604	74,341	\$0.73	\$ 54,269	74,341	\$1.71	\$ 127,123	\$ 181,392
November	76,635	\$2.97	\$ 227,606	77,504	\$0.73	\$ 56,578	77,504	\$1.71	\$ 132,532	\$ 189,110
December	83,500	\$2.97	\$ 247,994	83,970	\$0.73	\$ 61,298	83,970	\$1.71	\$ 143,588	\$ 204,886
Total	973,848	\$ 2.97	\$ 2,892,327	999,914	\$ 0.73	\$ 729,937	999,914	\$ 1.71	\$ 1,709,852	\$ 2,439,789

HYDRO ONE	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	10,908	\$2.24	\$ 24,434	10,908	\$0.60	\$ 6,545	9,102	\$1.39	\$ 12,652	\$ 19,197
February	10,466	\$2.24	\$ 23,444	10,466	\$0.60	\$ 6,280	8,835	\$1.39	\$ 12,281	\$ 18,560
March	9,545	\$2.24	\$ 21,381	9,555	\$0.60	\$ 5,733	8,172	\$1.39	\$ 11,359	\$ 17,092
April	8,717	\$2.24	\$ 19,526	8,717	\$0.60	\$ 5,230	7,502	\$1.39	\$ 10,428	\$ 15,658
May	8,472	\$2.65	\$ 22,451	8,472	\$0.64	\$ 5,422	7,122	\$1.50	\$ 10,683	\$ 16,105
June	8,913	\$2.65	\$ 23,619	8,913	\$0.64	\$ 5,704	7,475	\$1.50	\$ 11,213	\$ 16,917
July	9,998	\$2.65	\$ 26,495	9,998	\$0.64	\$ 6,399	8,286	\$1.50	\$ 12,429	\$ 18,828
August	10,045	\$2.65	\$ 26,619	10,045	\$0.64	\$ 6,429	8,374	\$1.50	\$ 12,561	\$ 18,990
September	9,564	\$2.65	\$ 25,345	9,564	\$0.64	\$ 6,121	7,955	\$1.50	\$ 11,933	\$ 18,053
October	9,828	\$2.65	\$ 26,044	9,853	\$0.64	\$ 6,306	8,610	\$1.50	\$ 12,915	\$ 19,221
November	10,375	\$2.65	\$ 27,494	10,375	\$0.64	\$ 6,640	8,882	\$1.50	\$ 13,323	\$ 19,963
December	10,599	\$2.65	\$ 28,087	10,599	\$0.64	\$ 6,783	8,809	\$1.50	\$ 13,214	\$ 19,997
Total	117,430	\$ 2.51	\$ 294,939	117,465	\$ 0.63	\$ 73,592	99,124	\$ 1.46	\$ 144,989	\$ 218,581

TOTAL	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	90,891	\$2.88	\$ 261,983	93,126	\$0.71	\$ 66,564	91,320	\$1.68	\$ 153,245	\$ 219,809
February	87,482	\$2.88	\$ 252,181	90,532	\$0.71	\$ 64,728	88,901	\$1.68	\$ 149,194	\$ 213,921
March	82,754	\$2.89	\$ 238,812	86,114	\$0.72	\$ 61,621	84,731	\$1.68	\$ 142,275	\$ 203,896
April	81,251	\$2.89	\$ 234,952	82,084	\$0.72	\$ 58,788	80,869	\$1.68	\$ 135,885	\$ 194,673
May	89,808	\$2.94	\$ 264,019	94,324	\$0.72	\$ 68,094	92,974	\$1.69	\$ 157,490	\$ 225,584
June	93,062	\$2.94	\$ 273,542	95,073	\$0.72	\$ 68,601	93,635	\$1.69	\$ 158,546	\$ 227,147
July	101,821	\$2.94	\$ 299,209	103,497	\$0.72	\$ 74,653	101,785	\$1.69	\$ 172,312	\$ 246,965
August	101,246	\$2.94	\$ 297,486	103,324	\$0.72	\$ 74,522	101,653	\$1.69	\$ 172,068	\$ 246,591
September	100,442	\$2.94	\$ 295,252	102,663	\$0.72	\$ 74,083	101,054	\$1.69	\$ 171,132	\$ 245,215
October	81,412	\$2.93	\$ 238,649	84,194	\$0.72	\$ 60,575	82,951	\$1.69	\$ 140,038	\$ 200,613
November	87,010	\$2.93	\$ 255,100	87,879	\$0.72	\$ 63,218	86,386	\$1.69	\$ 145,855	\$ 209,073
December	94,099	\$2.93	\$ 276,081	94,569	\$0.72	\$ 68,081	92,779	\$1.69	\$ 156,801	\$ 224,882
Total	1,091,278	\$ 2.92	\$ 3,187,266	1,117,379	\$ 0.72	\$ 803,529	1,099,038	\$ 1.69	\$ 1,854,841	\$ 2,658,369

Ontario Energy Board
RTSR WORK FORM FOR
ELECTRICITY DISTRIBUTORS

Festival Hydro Inc. - EB-2011-0167 - IRM3

The purpose of this sheet is to calculate the expected billing when current 2011 Uniform Transmission Rates are applied against historical 2010 transmission units.

IESO	Network				Line Connection			Transformation Connection			Total Line
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	January	79,983	\$ 3.2200	\$ 257,545	82,218	\$ 0.7900	\$ 64,952	82,218	\$ 1.7700	\$ 145,526	\$ 210,478
	February	77,016	\$ 3.2200	\$ 247,992	80,066	\$ 0.7900	\$ 63,252	80,066	\$ 1.7700	\$ 141,717	\$ 204,969
	March	73,209	\$ 3.2200	\$ 235,733	76,559	\$ 0.7900	\$ 60,482	76,559	\$ 1.7700	\$ 135,509	\$ 195,991
	April	72,534	\$ 3.2200	\$ 233,559	73,367	\$ 0.7900	\$ 57,960	73,367	\$ 1.7700	\$ 129,860	\$ 187,820
	May	81,336	\$ 3.2200	\$ 261,902	85,852	\$ 0.7900	\$ 67,823	85,852	\$ 1.7700	\$ 151,958	\$ 219,781
	June	84,149	\$ 3.2200	\$ 270,960	86,160	\$ 0.7900	\$ 68,066	86,160	\$ 1.7700	\$ 152,503	\$ 220,570
	July	91,823	\$ 3.2200	\$ 295,670	93,499	\$ 0.7900	\$ 73,864	93,499	\$ 1.7700	\$ 165,493	\$ 239,357
	August	91,201	\$ 3.2200	\$ 293,667	93,279	\$ 0.7900	\$ 73,690	93,279	\$ 1.7700	\$ 165,104	\$ 238,794
	September	90,878	\$ 3.2200	\$ 292,627	93,099	\$ 0.7900	\$ 73,548	93,099	\$ 1.7700	\$ 164,785	\$ 238,333
	October	71,584	\$ 3.2200	\$ 230,500	74,341	\$ 0.7900	\$ 58,729	74,341	\$ 1.7700	\$ 131,584	\$ 190,313
	November	76,635	\$ 3.2200	\$ 246,765	77,504	\$ 0.7900	\$ 61,228	77,504	\$ 1.7700	\$ 137,182	\$ 198,410
	December	83,500	\$ 3.2200	\$ 268,868	83,970	\$ 0.7900	\$ 66,336	83,970	\$ 1.7700	\$ 148,626	\$ 214,962
	Total	973,848	\$ 3.22	\$ 3,135,789	999,914	\$ 0.79	\$ 789,932	999,914	\$ 1.77	\$ 1,769,847	\$ 2,559,779

HYDRO ONE	Network				Line Connection			Transformation Connection			Total Line
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	January	10,908	\$ 2.6970	\$ 29,419	10,908	\$ 0.6150	\$ 6,708	9,102	\$ 1.5000	\$ 13,653	\$ 20,361
	February	10,466	\$ 2.6970	\$ 28,227	10,466	\$ 0.6150	\$ 6,437	8,835	\$ 1.5000	\$ 13,253	\$ 19,689
	March	9,545	\$ 2.6970	\$ 25,743	9,555	\$ 0.6150	\$ 5,876	8,172	\$ 1.5000	\$ 12,258	\$ 18,134
	April	8,717	\$ 2.6970	\$ 23,510	8,717	\$ 0.6150	\$ 5,361	7,502	\$ 1.5000	\$ 11,253	\$ 16,614
	May	8,472	\$ 2.6970	\$ 22,849	8,472	\$ 0.6150	\$ 5,210	7,122	\$ 1.5000	\$ 10,683	\$ 15,893
	June	8,913	\$ 2.6970	\$ 24,038	8,913	\$ 0.6150	\$ 5,481	7,475	\$ 1.5000	\$ 11,213	\$ 16,694
	July	9,998	\$ 2.6970	\$ 26,965	9,998	\$ 0.6150	\$ 6,149	8,286	\$ 1.5000	\$ 12,429	\$ 18,578
	August	10,045	\$ 2.6970	\$ 27,091	10,045	\$ 0.6150	\$ 6,178	8,374	\$ 1.5000	\$ 12,561	\$ 18,739
	September	9,564	\$ 2.6970	\$ 25,794	9,564	\$ 0.6150	\$ 5,882	7,955	\$ 1.5000	\$ 11,933	\$ 17,814
	October	9,828	\$ 2.6970	\$ 26,506	9,853	\$ 0.6150	\$ 6,060	8,610	\$ 1.5000	\$ 12,915	\$ 18,975
	November	10,375	\$ 2.6970	\$ 27,981	10,375	\$ 0.6150	\$ 6,381	8,882	\$ 1.5000	\$ 13,323	\$ 19,704
	December	10,599	\$ 2.6970	\$ 28,586	10,599	\$ 0.6150	\$ 6,518	8,809	\$ 1.5000	\$ 13,214	\$ 19,732
	Total	117,430	\$ 2.70	\$ 316,709	117,465	\$ 0.62	\$ 72,241	99,124	\$ 1.50	\$ 148,686	\$ 220,927

TOTAL	Network				Line Connection			Transformation Connection			Total Line
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	January	90,891	\$ 3.16	\$ 286,964	93,126	\$ 0.77	\$ 71,661	91,320	\$ 1.74	\$ 159,179	\$ 230,840
	February	87,482	\$ 3.16	\$ 276,218	90,532	\$ 0.77	\$ 69,689	88,901	\$ 1.74	\$ 154,969	\$ 224,658
	March	82,754	\$ 3.16	\$ 261,476	86,114	\$ 0.77	\$ 66,358	84,731	\$ 1.74	\$ 147,767	\$ 214,125
	April	81,251	\$ 3.16	\$ 257,069	82,084	\$ 0.77	\$ 63,321	80,869	\$ 1.74	\$ 141,113	\$ 204,433
	May	89,808	\$ 3.17	\$ 284,751	94,324	\$ 0.77	\$ 73,033	92,974	\$ 1.75	\$ 162,641	\$ 235,674
	June	93,062	\$ 3.17	\$ 294,998	95,073	\$ 0.77	\$ 73,548	93,635	\$ 1.75	\$ 163,716	\$ 237,264
	July	101,821	\$ 3.17	\$ 322,635	103,497	\$ 0.77	\$ 80,013	101,785	\$ 1.75	\$ 177,922	\$ 257,935
	August	101,246	\$ 3.17	\$ 320,759	103,324	\$ 0.77	\$ 79,868	101,653	\$ 1.75	\$ 177,665	\$ 257,533
	September	100,442	\$ 3.17	\$ 318,421	102,663	\$ 0.77	\$ 79,430	101,054	\$ 1.75	\$ 176,718	\$ 256,148
	October	81,412	\$ 3.16	\$ 257,007	84,194	\$ 0.77	\$ 64,789	82,951	\$ 1.74	\$ 144,499	\$ 209,288
	November	87,010	\$ 3.16	\$ 274,746	87,879	\$ 0.77	\$ 67,609	86,386	\$ 1.74	\$ 150,505	\$ 218,114
	December	94,099	\$ 3.16	\$ 297,454	94,569	\$ 0.77	\$ 72,854	92,779	\$ 1.74	\$ 161,840	\$ 234,694
	Total	1,091,278	\$ 3.16	\$ 3,452,498	1,117,379	\$ 0.77	\$ 862,173	1,099,038	\$ 1.75	\$ 1,918,533	\$ 2,780,706



Ontario Energy Board

**RTSR WORK FORM FOR
ELECTRICITY DISTRIBUTORS**

Festival Hydro Inc. - EB-2011-0167 - IRM3

The purpose of this sheet is to calculate the expected billing when forecasted 2012 Uniform Transmission Rates are applied against historical 2010 transmission units.

IESO	Network				Line Connection				Transformation Connection				Total Line
Month	Units Billed	Rate	Amount		Units Billed	Rate	Amount		Units Billed	Rate	Amount		Amount
January	79,983	\$ 3.2200	\$ 257,545		82,218	\$ 0.7900	\$ 64,952		82,218	\$ 1.7700	\$ 145,526	\$	210,478
February	77,016	\$ 3.2200	\$ 247,992		80,066	\$ 0.7900	\$ 63,252		80,066	\$ 1.7700	\$ 141,717	\$	204,969
March	73,209	\$ 3.2200	\$ 235,733		76,559	\$ 0.7900	\$ 60,482		76,559	\$ 1.7700	\$ 135,509	\$	195,991
April	72,534	\$ 3.2200	\$ 233,559		73,367	\$ 0.7900	\$ 57,960		73,367	\$ 1.7700	\$ 129,860	\$	187,820
May	81,336	\$ 3.2200	\$ 261,902		85,852	\$ 0.7900	\$ 67,823		85,852	\$ 1.7700	\$ 151,958	\$	219,781
June	84,149	\$ 3.2200	\$ 270,960		86,160	\$ 0.7900	\$ 68,066		86,160	\$ 1.7700	\$ 152,503	\$	220,570
July	91,823	\$ 3.2200	\$ 295,670		93,499	\$ 0.7900	\$ 73,864		93,499	\$ 1.7700	\$ 165,493	\$	239,357
August	91,201	\$ 3.2200	\$ 293,667		93,279	\$ 0.7900	\$ 73,690		93,279	\$ 1.7700	\$ 165,104	\$	238,794
September	90,878	\$ 3.2200	\$ 292,627		93,099	\$ 0.7900	\$ 73,548		93,099	\$ 1.7700	\$ 164,785	\$	238,333
October	71,584	\$ 3.2200	\$ 230,500		74,341	\$ 0.7900	\$ 58,729		74,341	\$ 1.7700	\$ 131,584	\$	190,313
November	76,635	\$ 3.2200	\$ 246,765		77,504	\$ 0.7900	\$ 61,228		77,504	\$ 1.7700	\$ 137,182	\$	198,410
December	83,500	\$ 3.2200	\$ 268,868		83,970	\$ 0.7900	\$ 66,336		83,970	\$ 1.7700	\$ 148,626	\$	214,962
Total	973,848	\$ 3.22	\$ 3,135,789		999,914	\$ 0.79	\$ 789,932		999,914	\$ 1.77	\$ 1,769,847	\$	2,559,779

HYDRO ONE	Network				Line Connection				Transformation Connection				Total Line
Month	Units Billed	Rate	Amount		Units Billed	Rate	Amount		Units Billed	Rate	Amount		Amount
January	10,908	\$ 2.6970	\$ 29,419		10,908	\$ 0.6150	\$ 6,708		9,102	\$ 1.5000	\$ 13,653	\$	20,361
February	10,466	\$ 2.6970	\$ 28,227		10,466	\$ 0.6150	\$ 6,437		8,835	\$ 1.5000	\$ 13,253	\$	19,689
March	9,545	\$ 2.6970	\$ 25,743		9,555	\$ 0.6150	\$ 5,876		8,172	\$ 1.5000	\$ 12,258	\$	18,134
April	8,717	\$ 2.6970	\$ 23,510		8,717	\$ 0.6150	\$ 5,361		7,502	\$ 1.5000	\$ 11,253	\$	16,614
May	8,472	\$ 2.6970	\$ 22,849		8,472	\$ 0.6150	\$ 5,210		7,122	\$ 1.5000	\$ 10,683	\$	15,893
June	8,913	\$ 2.6970	\$ 24,038		8,913	\$ 0.6150	\$ 5,481		7,475	\$ 1.5000	\$ 11,213	\$	16,694
July	9,998	\$ 2.6970	\$ 26,965		9,998	\$ 0.6150	\$ 6,149		8,286	\$ 1.5000	\$ 12,429	\$	18,578
August	10,045	\$ 2.6970	\$ 27,091		10,045	\$ 0.6150	\$ 6,178		8,374	\$ 1.5000	\$ 12,561	\$	18,739
September	9,564	\$ 2.6970	\$ 25,794		9,564	\$ 0.6150	\$ 5,882		7,955	\$ 1.5000	\$ 11,933	\$	17,814
October	9,828	\$ 2.6970	\$ 26,506		9,853	\$ 0.6150	\$ 6,060		8,610	\$ 1.5000	\$ 12,915	\$	18,975
November	10,375	\$ 2.6970	\$ 27,981		10,375	\$ 0.6150	\$ 6,381		8,882	\$ 1.5000	\$ 13,323	\$	19,704
December	10,599	\$ 2.6970	\$ 28,586		10,599	\$ 0.6150	\$ 6,518		8,809	\$ 1.5000	\$ 13,214	\$	19,732
Total	117,430	\$ 2.70	\$ 316,709		117,465	\$ 0.62	\$ 72,241		99,124	\$ 1.50	\$ 148,686	\$	220,927

TOTAL	Network				Line Connection				Transformation Connection				Total Line
Month	Units Billed	Rate	Amount		Units Billed	Rate	Amount		Units Billed	Rate	Amount		Amount
January	90,891	\$ 3.16	\$ 286,964		93,126	\$ 0.77	\$ 71,661		91,320	\$ 1.74	\$ 159,179	\$	230,840
February	87,482	\$ 3.16	\$ 276,218		90,532	\$ 0.77	\$ 69,689		88,901	\$ 1.74	\$ 154,969	\$	224,658
March	82,754	\$ 3.16	\$ 261,476		86,114	\$ 0.77	\$ 66,358		84,731	\$ 1.74	\$ 147,767	\$	214,125
April	81,251	\$ 3.16	\$ 257,069		82,084	\$ 0.77	\$ 63,321		80,869	\$ 1.74	\$ 141,113	\$	204,433
May	89,808	\$ 3.17	\$ 284,751		94,324	\$ 0.77	\$ 73,033		92,974	\$ 1.75	\$ 162,641	\$	235,674
June	93,062	\$ 3.17	\$ 294,998		95,073	\$ 0.77	\$ 73,548		93,635	\$ 1.75	\$ 163,716	\$	237,264
July	101,821	\$ 3.17	\$ 322,635		103,497	\$ 0.77	\$ 80,013		101,785	\$ 1.75	\$ 177,922	\$	257,935
August	101,246	\$ 3.17	\$ 320,759		103,324	\$ 0.77	\$ 79,868		101,653	\$ 1.75	\$ 177,665	\$	257,533
September	100,442	\$ 3.17	\$ 318,421		102,663	\$ 0.77	\$ 79,430		101,054	\$ 1.75	\$ 176,718	\$	256,148
October	81,412	\$ 3.16	\$ 257,007		84,194	\$ 0.77	\$ 64,789		82,951	\$ 1.74	\$ 144,499	\$	209,288
November	87,010	\$ 3.16	\$ 274,746		87,879	\$ 0.77	\$ 67,609		86,386	\$ 1.74	\$ 150,505	\$	218,114
December	94,099	\$ 3.16	\$ 297,454		94,569	\$ 0.77	\$ 72,854		92,779	\$ 1.74	\$ 161,840	\$	234,694
Total	1,091,278	\$ 3.16	\$ 3,452,498		1,117,379	\$ 0.77	\$ 862,173		1,099,038	\$ 1.75	\$ 1,918,533	\$	2,780,706



Festival Hydro Inc. - EB-2011-0167 - IRM3

The purpose of this sheet is to re-align the current RTS Network Rates to recover current wholesale network costs.

Rate Class	Unit		Current RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Network
Residential	kWh	\$	0.0058	141,650,775	-	\$ 821,574	25.2%	\$ 869,325	\$ 0.0061
Residential - Hensall	kWh	\$	0.0058	4,004,291	-	\$ 23,225	0.7%	\$ 24,575	\$ 0.0061
General Service Less Than 50 kW	kWh	\$	0.0050	67,180,465	-	\$ 335,902	10.3%	\$ 355,425	\$ 0.0053
General Service 50 to 4,999 kW	kW	\$	2.0938	44,871,684	126,923	\$ 265,751	8.1%	\$ 281,197	\$ 2.2155
General Service 50 to 4,999 kW – Interval Metered	kW	\$	2.2238	263,981,800	698,113	\$ 1,552,464	47.6%	\$ 1,642,694	\$ 2.3530
Large Use	kW	\$	2.4624	52,043,067	98,358	\$ 242,197	7.4%	\$ 256,273	\$ 2.6055
Unmetered Scattered Load	kWh	\$	0.0050	693,920	-	\$ 3,470	0.1%	\$ 3,671	\$ 0.0053
Sentinel Lighting	kW	\$	1.5871	202,236	623	\$ 989	0.0%	\$ 1,046	\$ 1.6793
Street Lighting	kW	\$	1.5791	4,058,593	10,947	\$ 17,286	0.5%	\$ 18,291	\$ 1.6709
						\$ 3,262,858			



Festival Hydro Inc. - EB-2011-0167 - IRM3

The purpose of this sheet is to re-align the current RTS Connection Rates to recover current wholesale connection costs.

Rate Class	Unit		Current RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Connection
Residential	kWh	\$	0.0047	141,650,775	-	\$ 665,759	24.8%	\$ 688,293	\$ 0.0049
Residential - Hensall	kWh	\$	0.0047	4,004,291	-	\$ 18,820	0.7%	\$ 19,457	\$ 0.0049
General Service Less Than 50 kW	kWh	\$	0.0042	67,180,465	-	\$ 282,158	10.5%	\$ 291,708	\$ 0.0043
General Service 50 to 4,999 kW	kW	\$	1.6789	44,871,684	126,923	\$ 213,091	7.9%	\$ 220,304	\$ 1.7357
General Service 50 to 4,999 kW – Interval Metered	kW	\$	1.8405	263,981,800	698,113	\$ 1,284,877	47.8%	\$ 1,328,367	\$ 1.9028
Large Use	kW	\$	2.1047	52,043,067	98,358	\$ 207,014	7.7%	\$ 214,021	\$ 2.1759
Unmetered Scattered Load	kWh	\$	0.0042	693,920	-	\$ 2,914	0.1%	\$ 3,013	\$ 0.0043
Sentinel Lighting	kW	\$	1.3251	202,236	623	\$ 826	0.0%	\$ 853	\$ 1.3700
Street Lighting	kW	\$	1.2979	4,058,593	10,947	\$ 14,208	0.5%	\$ 14,689	\$ 1.3418
						\$ 2,689,667			



Festival Hydro Inc. - EB-2011-0167 - IRM3

The purpose of this sheet is to update the re-align RTS Network Rates to recover forecast wholesale network costs.

Rate Class	Unit		Adjusted RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Network
Residential	kWh	\$	0.0061	141,650,775	-	\$ 869,325	25.2%	\$ 869,325	\$ 0.0061
Residential - Hensall	kWh	\$	0.0061	4,004,291	-	\$ 24,575	0.7%	\$ 24,575	\$ 0.0061
General Service Less Than 50 kW	kWh	\$	0.0053	67,180,465	-	\$ 355,425	10.3%	\$ 355,425	\$ 0.0053
General Service 50 to 4,999 kW	kW	\$	2.2155	44,871,684	126,923	\$ 281,197	8.1%	\$ 281,197	\$ 2.2155
General Service 50 to 4,999 kW – Interval Metered	kW	\$	2.3530	263,981,800	698,113	\$ 1,642,694	47.6%	\$ 1,642,694	\$ 2.3530
Large Use	kW	\$	2.6055	52,043,067	98,358	\$ 256,273	7.4%	\$ 256,273	\$ 2.6055
Unmetered Scattered Load	kWh	\$	0.0053	693,920	-	\$ 3,671	0.1%	\$ 3,671	\$ 0.0053
Sentinel Lighting	kW	\$	1.6793	202,236	623	\$ 1,046	0.0%	\$ 1,046	\$ 1.6793
Street Lighting	kW	\$	1.6709	4,058,593	10,947	\$ 18,291	0.5%	\$ 18,291	\$ 1.6709
						\$ 3,452,498			



Festival Hydro Inc. - EB-2011-0167 - IRM3

The purpose of this sheet is to update the re-aligned RTS Connection Rates to recover forecast wholesale connection costs.

Rate Class	Unit	Adjusted RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Connection
Residential	kWh	\$ 0.0049	141,650,775	-	\$ 688,293	24.8%	\$ 688,293	\$ 0.0049
Residential - Hensall	kWh	\$ 0.0049	4,004,291	-	\$ 19,457	0.7%	\$ 19,457	\$ 0.0049
General Service Less Than 50 kW	kWh	\$ 0.0043	67,180,465	-	\$ 291,708	10.5%	\$ 291,708	\$ 0.0043
General Service 50 to 4,999 kW	kW	\$ 1.7357	44,871,684	126,923	\$ 220,304	7.9%	\$ 220,304	\$ 1.7357
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 1.9028	263,981,800	698,113	\$ 1,328,367	47.8%	\$ 1,328,367	\$ 1.9028
Large Use	kW	\$ 2.1759	52,043,067	98,358	\$ 214,021	7.7%	\$ 214,021	\$ 2.1759
Unmetered Scattered Load	kWh	\$ 0.0043	693,920	-	\$ 3,013	0.1%	\$ 3,013	\$ 0.0043
Sentinel Lighting	kW	\$ 1.3700	202,236	623	\$ 853	0.0%	\$ 853	\$ 1.3700
Street Lighting	kW	\$ 1.3418	4,058,593	10,947	\$ 14,689	0.5%	\$ 14,689	\$ 1.3418
					\$ 2,780,706			



Ontario Energy Board



Festival Hydro Inc. - EB-2011-0167 - IRM3

For Cost of Service Applicants, please enter the following Proposed RTS rates into your rates model.
For IRM applicants, please enter these rates into the 2012 Rate Generator.

Rate Class	Unit	Proposed RTSR Network		Proposed RTSR Connection	
Residential	kWh	\$	0.0061	\$	0.0049
Residential - Hensall	kWh	\$	0.0061	\$	0.0049
General Service Less Than 50 kW	kWh	\$	0.0053	\$	0.0043
General Service 50 to 4,999 kW	kW	\$	2.2155	\$	1.7357
General Service 50 to 4,999 kW – Interval Metered	kW	\$	2.3530	\$	1.9028
Large Use	kW	\$	2.6055	\$	2.1759
Unmetered Scattered Load	kWh	\$	0.0053	\$	0.0043
Sentinel Lighting	kW	\$	1.6793	\$	1.3700
Street Lighting	kW	\$	1.6709	\$	1.3418

Appendix H

2001 PILS Support

	A	B	C	D
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"			
2	REGULATORY INFORMATION (REGINFO)			
3	PILs TAXES - EB-2011-0167			
4	Utility Name: FESTIVAL Hydro Inc.			Amount
5	Reporting period: Q4, 2001 JANUARY 2002			
6				
7	BACKGROUND			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y/N	
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	
14				
15	Accounting Year End		Date	31-Dec
16				
17	MARR NO TAX CALCULATIONS			
18	SHEET #7 FINAL RUD MODEL DATA			
19	(FROM 1999 FINANCIAL STATEMENTS)			
20	USE BOARD-APPROVED AMOUNTS			
21				
22	Rate base (wires-only)			31,136,775
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			2,666,865
33				
34	1999 return from RUD Sheet #7			681,997
35				
36	Total Incremental revenue			1,984,868
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			661,622
40	Amount allowed in 2002, Year 2			661,622
41	Amount allowed in 2003, Year 3			661,622
42				
43	Equity			15,568,388
44				
45	Return at target ROE			1,538,157
46				
47	Debt			15,568,388
48				
49	Deemed interest amount in EBIT			1,128,708
50				
51	Phase-in of interest - Year 1			568,665
52	$((D34+D39)/D32)*D49$			
53	Phase-in of interest - Year 2			848,686
54	$((D34+D39+D40)/D32)*D49$			
55	Phase-in of interest - Year 3 (D49)			1,128,708
56				

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	Initial	Source	Deferral	Deferral	Deferral	Source	M of F	M of F	M of F	Source
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate		Account	Account	Account		Filing	Filing	Filing	
3	TAX CALCULATIONS (TCALQ401EST)			Foot-	Variance	Variance	Allowance	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			\$	#	\$		\$	#	\$		\$	#
6												
7	Utility Name: FESTIVAL Hydro Inc.										Column	
8	Reporting period: Q4, 2001 JANUARY 2002										Brought	
9											Forward	
10											From	
11											TAXREC	
12	J) CORPORATE INCOME TAXES											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1		1A	335,905		335,905	1B	-361,941		-26,036	1C
16												
17	BOOK TO TAX ADJUSTMENTS		0									
18												
19	Additions: To Accounting Income											
20	Depreciation & Amortization	2		2A	418,228		418,228	2B	133,681		551,909	2C
21	Federal Large Corporation Tax	3		3A	0		0	3B	14,484		14,484	3C
22	Employee Benefit Plans - Accrued, Not Paid	4		4A	0		0	4B	0		0	4C
23	Change in Tax Reserves	5		5A	0		0	5B	0		0	5C
24	Regulatory Adjustments	6		6A	0		0	6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7		7A	0		0	7B	0		0	7C
27	"Material" Item #2	7		7A	0		0	7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0		0	7B	1,005,665		1,005,665	7C
29	Deductions: From Accounting Income											
30	Capital Cost Allowance	8		8A	-143,462		-143,462	8B	-246,295		-389,757	8C
31	Employee Benefit Plans - Paid Amounts	9		9A	0		0	9B	0		0	9C
32	Items Capitalized for Regulatory Purposes	10		10A	0		0	10B	0		0	10C
33	Regulatory Adjustments	11		11A	0		0	11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12		12A	-142,166		-142,166	12B	-118,592		-260,758	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13		13A	0		0	13B	0		0	13C
37	"Material" Item #2	13		13A	0		0	13B	0		0	13C
38	Other Deductions (not "Material")	13		13A	0		0	13B	-990,345		-990,345	13C
39												
40	REGULATORY TAXABLE INCOME		0		468,505		468,505		-563,343		-94,838	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	38.6200%	14A	2.0000%		40.6200%	14B	0.0000%		40.6200%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		0		190,307		190,307		-228,830		-38,523	
48												
49	Miscellaneous Tax Credits	15		15A	0		0	15B	0			15C
50												
51	Total Regulatory Income Tax		0		190,307		190,307		-228,830		-38,523	
52												
53												
54												

[illegible]

[illegible]

	A	B	C	D	E
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (TRECQ401)		Corporate	Eliminations	Tax
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
4			Return		
5					
6					
7	Utility Name: FESTIVAL Hydro Inc.				
8	Reporting period: Q4, 2001 June 2002				
9					
10	Note: Carry forward Wires-only Data to Tab "TAXCALC"				
11	Column K				
12	I) CORPORATE INCOME TAXES				
13	(Input unconsolidated financial statement data				
14	submitted with tax returns as applicable)				
15	Revenue <u>Gross Margin (Service Revenue less Cost of Power) to do</u>	1	1,168,861		1,168,861
16	Other Operating Revenue	2	209,964		209,964
17	Expenses				
18	Administration	3	-594,339		-594,339
19	Cost of Power to do	4	0		0
20	Operations and Maintenance	5	-226,934		-226,934
21	Depreciation and Amortization	6	-551,909		-551,909
22	Other Interest Expense (Customer Deposits)	7	0		0
23	Ontario Capital Tax (incl in "Income Taxes-Current" per f/s)	8	-17,195		-17,195
24	Federal LCT	9	-14,484		-14,484
25					
26	Net Income Before Interest & Income Taxes EBIT	10	-26,036	0	-26,036
27					
28	BOOK TO TAX ADDITIONS:				
29	Depreciation & Amortization		551,909	0	551,909
30	Federal Large Corporation Tax		14,484	0	14,484
31	Employee benefit plans-accrued, not paid				0
32	Change in tax reserves		0		0
33	Regulatory adjustments				0
34	Other additions "Material" Item #1				0
35	Other additions "Material" Item #2				0
36			566,393	0	566,393
37	<i>Other Additions:</i> (From T2 S1)				
38	Recapture of CCA				0
39	Non-deductible expenses:				0
40	Club dues and fees				0
41	Meals and entertainment		0		0
42	Automobile				0
43	Life insurance premiums				0
44	Company pension plans				0
45	Advertising				0
46	Interest and penalties on taxes				0
47	Legal and accounting fees				0
48	Debt issue expenses				0
49	Capital items expensed				0
50	All crown charges, royalties, rentals				0
51	Deemed dividend income				0
52	Deemed interest on loans to non-residents				0
53	Deemed interest received				0
54	Development expenses claimed				0
55	Dividend stop-loss adjustments				0
56	Dividends credited to investment account				0
57	Investment tax credit				0
58	Financing fees deducted in books				0
59	Foreign accrual property income				0
60	Foreign affiliate property income				0
61					

	A	B	C	D	E
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (TRECQ401)		Corporate	Eliminations	Tax
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
4			Return		
5					
6					
62	Federal reassessment amounts				0
63	Gain on settlement of debt				0
64	Interest paid on income debentures				0
65	Gain on sale of eligible capital property				0
66	Loss on disposal of assets				0
67	Reserves from f/s- end of year (post retire. benefits accrued)		1,007,971		1,007,971
68	Holdbacks				0
69	Taxable capital gains				0
70	Political donations- book				0
71	Charitable donations- book		0		0
72	Capitalized interest				0
73	Deferred and prepaid- beginning of year				0
74	Tax reserves deducted in prior year				0
75	Loss from joint ventures		-2,306		-2,306
76	Loss from subsidiaries				0
77	Limited partnership losses				0
78	Sales tax assessments				0
79	Share issue expenses				0
80	Write-down of capital property				0
81					0
82	<i>Other Additions: section 12(1)(a) income (Cust. Deposits)</i>		0		0
83					0
84	<i>Total Other Additions</i>		1,005,665	0	1,005,665
85					
86	<i>Total Additions</i>		1,572,058	0	1,572,058
87					
88	BOOK TO TAX DEDUCTIONS:				
89	Capital cost allowance		-389,757		-389,757
90	Employee benefit plans-paid amounts				0
91	Items capitalized for regulatory purposes				0
92	Regulatory adjustments				0
93	Interest expense incurred		-260,758		-260,758
94	Other deductions "Material" Item #1				0
95	Other deductions "Material" Item #2				0
96			-650,515	0	-650,515
97	<i>Other deductions: (From T2 S1)</i>				
98	Grossed up Part VI.1 tax (preferred shares)				0
99	Amortization of eligible capital expenditures				0
100	Amortization of debt and equity issue cost				0
101	Loss carryback to prior period				0
102	Contributions to deferred income plans				0
103	Contributions to pension plans				0
104	Income from subsidiaries				0
105	Income from joint ventures				0
106	Gain on disposal of assets				0
107	Terminal loss				0
108	Cumulative eligible capital deduction		-3,756		-3,756
109	Allowable business investment loss				0
110	Holdbacks				0
111	Deferred and prepaids- end of year				0
112	Tax reserves claimed in current year				0
113	Reserves from f/s- beg of year (post retire.benefits accrued)		-986,589		-986,589
114	Patronage dividends				0
115	Accrued dividends- current year				0
116	Bad debts				0

	A	B	C	D	E
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (TRECQ401)		Corporate	Eliminations	Tax
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
4			Return		
5					
6					
117					
118					
119	Exempt income under section 81				0
120	Contributions to environmental trust				0
121	Other income from financial statements				0
122	Charitable donations - tax basis				0
123	Gifts to Canada or a province				0
124	Cultural gifts				0
125	Ecological gifts				0
126	Taxable dividends s. 112, 113 or ss. 138(6)				0
127	Non-capital losses-preceding years				0
128	Net-capital losses- preceding years				0
129	Limited partnership losses- preceding years				0
130	<i>Other deductions: section 20(1)(m) income (Cust. Deposits)</i>		0		0
131					0
132					0
133	<i>Total Other Deductions</i>		-990,345	0	-990,345
134					
135	<i>Total Deductions</i>		-1,640,860	0	-1,640,860
136					
137					
138	TAXABLE INCOME - as per T2S(1) on M of F filing		-94,838	0	-94,838
139					
140					
141					

	A	B	C	D	E
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (TRECQ401)		Corporate	Eliminations	Tax
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
4			Return		
5					
6					
142					
143					
144	ONTARIO CAPITAL TAX				
145					
146	PAID-UP CAPITAL				
147					
148	Paid-up capital stock		21,337,111		21,337,111
149	Retained earnings (if deficit, deduct)		115,830		115,830
150	Capital and other surplus excluding				0
151	appraisal surplus				0
152	Loans and advances		14,028,418		14,028,418
153	Bank loans				0
154	Bankers acceptances				0
155	Bonds and debentures payable				0
156	Mortgages payable				0
157	Lien notes payable				0
158	Deferred credits (taxes)				0
159	Contingent, investment, inventory and		1,007,971		1,007,971
160	similar reserves				0
161	Other reserves not allowed as deductions		0		0
162	Share of partnership(s), joint venture(s)				0
163	paid-up capital				0
164	Sub-total		36,489,330	0	36,489,330
165	Subtract:				
166	Amounts deducted for income tax		3,421,297		3,421,297
167	purposes in excess of amounts booked		0		0
168	Deductible R&D expenditures and ONTTI				0
169	costs deferred for income tax				0
170					0
171	Total (Net) Paid-up Capital		39,910,627	0	39,910,627
172					
173	ELIGIBLE INVESTMENTS				
174					
175	Bonds, lien notes, interest coupons				0
176	Mortgages due from other corporations				0
177	Shares in other corporations				0
178	Loans and advances to unrelated corporations				0
179	Eligible loans and advances to related		233,456		233,456
180	corporations				0
181	Share of partnership(s) or joint venture(s)				0
182	eligible investments				0
183					
184	Total Eligible Investments		233,456	0	233,456
185					
186					

	A	B	C	D	E
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (TRECQ401)		Corporate	Eliminations	Tax
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
4			Return		
5					
6					
187					
188	TOTAL ASSETS				
189					
190	Total assets per balance sheet		42,040,649		42,040,649
191	Mortgages or other liabilities deducted from				0
192	assets				0
193	Share of partnership(s)/ joint venture(s) total				0
194	assets				0
195	Subtract: Investment in partnership(s)/joint				0
196	venture(s)				0
197					
198	Total assets as adjusted		42,040,649	0	42,040,649
199					
200	Add: (if deducted from assets)				
201	Contingent, investment, inventory and				0
202	similar reserves				0
203	Other reserves not allowed as deductions				0
204	Subtract:				0
205	Amounts deducted for income tax		0		0
206	purposes in excess of amounts booked				0
207	Deductible R&D expenditures and ONTTI				0
208	costs deferred for income tax				0
209	Subtract: Appraisal surplus if booked				0
210	Add or subtract: Other adjustments			1	1
211					
212	Total Assets		42,040,649	1	42,040,650
213					
214	Investment Allowance				
215					
216	(Total Eligible Investments / Total Assets) x				
217	Net paid-up capital		221,628	0	221,628
218					
219	Taxable Capital				
220					
221	Net paid-up capital		39,910,627	0	39,910,627
222		1	-221,628	0	-221,628
223					0
224	Taxable Capital		39,688,999	0	39,688,999
225					
226	Capital Tax Calculation				
227					
228	Taxable capital		39,688,999	0	39,688,999
229					
230	Deduction from taxable capital up to \$5,000,000		-4,824,419		-4,824,419
231					
232	Net Taxable Capital		34,864,580	0	34,864,580
233					
234	Rate 0.3%		0.3000%	0.3000%	0.3000%
235					
236	Days in taxation year		92	92	92
237	Divide days by 365		0.2521	0.2521	0.2521
238					
239	Ontario Capital Tax (as per CT23 of M of F filing)		26,363	0	26,363
240					

	A	B	C	D	E
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (TRECQ401)		Corporate	Eliminations	Tax
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
4			Return		
5					
6					
241					
242					
243	LARGE CORPORATION TAX				
244					
245	CAPITAL				
246					
247	ADD:				
248	Reserves that have not been deducted in				0
249	computing income for the year under Part I		1,007,971		1,007,971
250	Capital stock		21,337,111		21,337,111
251	Retained earnings		115,830		115,830
252	Contributed surplus				0
253	Any other surpluses				0
254	Deferred unrealized foreign exchange gains				0
255	All loans and advances to the corporation		128,418		128,418
256	All indebtedness- bonds, debentures, notes,		13,900,000		13,900,000
257	mortgages, bankers acceptances, or similar				0
258	obligations				0
259	Any dividends declared but not paid				0
260	All other indebtedness outstanding for more				0
261	than 365 days				0
262					
263	Subtotal		36,489,330	0	36,489,330
264					
265	DEDUCT:				
266	Deferred tax debit balance				0
267	Any deficit deducted in computing				0
268	shareholders' equity				0
269	Any patronage dividends 135(1) deducted in				0
270	computing income under Part I included in				0
271	amounts above				0
272	Deferred unrealized foreign exchange losses				0
273					
274	Subtotal		0	0	0
275					
276	Capital for the year		36,489,330	0	36,489,330
277					
278	INVESTMENT ALLOWANCE				
279					
280	Shares in another corporation				0
281	Loan or advance to another corporation		0		0
282	Bond, debenture, note, mortgage, or				0
283	similar obligation of another corporation				0
284	Long term debt of financial institution				0
285	Dividend receivable from another corporation				0
286	Debts of corporate partnerships that were not				0
287	exempt from tax under Part I.3				0
288	Interest in a partnership				0
289					
290	Investment Allowance		0	0	0
291					

	A	B	C	D	E
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (TRECQ401)		Corporate	Eliminations	Tax
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return
4			Return		
5					
6					
292					
293	<u>TAXABLE CAPITAL</u>				
294					
295	Capital for the year		36,489,330	0	36,489,330
296					
297	Deduct: Investment allowance		0	0	0
298					
299	Taxable Capital for taxation year		36,489,330	0	36,489,330
300					
301	Deduct: Capital Deduction \$10,000,000		-10,000,000		-10,000,000
302					
303	Taxable Capital		26,489,330	0	26,489,330
304					
305	Rate .225%		0.22500%	0.22500%	0.22500%
306					
307	Days in year		92	92	92
308	Divide days by 365		0.2521	0.2521	0.2521
309					
310	Gross Part I.3 Tax LCT		15,023	0	15,023
311					
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%
313					
314	Federal Surtax = Taxable Income x Surtax Rate		0	0	0
315					
316	Net Part I.3 Tax -LCT Payable (per Sch 33 Fed Mof F filing)		15,023	0	15,023
317	(If surtax is greater than Gross LCT, then zero)				
318					
319					
320					

SHEET 6 - 2001 PILs Deferral Account Estimate Adder Calculation

NAME OF UTILITY	Festival Hydro Inc. - Co application Rates	LICENCE NUMBER	ED-1999-0053
NAME OF CONTACT	Debbie Reece	PHONE NUMBER	519-271-4703 (268)
E- Mail Address	dreece@festivalhydro.com		
VERSION NUMBER	2		
Date	22-Jan-02		

This schedule allows LDCs to input the calculated value for the 2001 PILs Defferal Account. Use the methodology released by the Board on December 21, 2001.

Enter the Estimated Value for the 2001 PILs Defferal Account. **\$ 361,829.00**

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2001 PILs deferral amount and to create the adders in each class. Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2001 PILs Deferral Allocations
RESIDENTIAL CLASS	-	125,399,384	14,490	\$2,732,052.72	48.56%	\$ 175,688.89
GENERAL SERVICE <50 KW CLASS	-	70,701,786	2,046	\$1,004,929.39	17.86%	\$ 64,623.55
GENERAL SERVICE >50 KW NON TIME OF USE	849,437	-	200	\$1,482,347.59	26.35%	\$ 95,324.66
General Service >50kW ClassTOU Customer 1	39,294	-	1	\$130,300.15	2.32%	\$ 8,379.15
General Service >50kW ClassTOU Customer 2	22,870	-	1	\$108,009.14	1.92%	\$ 6,945.70
LARGE USER CLASS	84,764	-	1	\$132,949.58	2.36%	\$ 8,549.53
SENTINEL LIGHTS	533	-	417	\$4,027.88	0.07%	\$ 259.02
STREET LIGHTING CLASS	10,600	-	5,628	\$32,010.69	0.57%	\$ 2,058.50
TOTALS				\$5,626,627.14	1.00	\$ 361,829.00
						\$ 361,829.00

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.500	0.500	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G26 above)	\$ 87,844.45	\$ 87,844.45	\$ 175,688.89
(B) RETAIL KWH	125,399,384		
(C) NUMBER OF CUSTOMERS		14,490	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	\$0.000701		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		\$0.5052	

General Service <50kW Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.500	0.500	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G27 above)	\$ 32,311.77	\$ 32,311.77	\$ 64,623.55
(B) RETAIL KWH	70,701,786		
(C) NUMBER OF CUSTOMERS		2,046	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B)	\$0.000457		

(this amount is added to the kWh rate shown on Sheet 4 and
the total new rate appears on the Rate Schedule on Sheet 7)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 \$1.3161
(this amount is added to the Service Charge shown on Sheet 4 and
the total new Service Charge appears on the Rate Schedule on Sheet 7)

General Service >50kW Class Non TOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

		VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PIls Estimate REVENUE
		0.700	0.300	100%
(A) ALLOCATED 2001 Pils Estimate (Total in Cell G28 above)	\$	66,727.27	\$ 28,597.40	\$ 95,324.66
(B) RETAIL KW		849,437		
(C) NUMBER OF CUSTOMERS			200	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)		\$0.078555		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)			\$11.9156	

GENERAL SERVICE > 50 KW (TIME OF USE) - Customer 1

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

		VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PIls Estimate REVENUE
		0.700	0.300	100%
(A) ALLOCATED 2001 Pils Estimate (Total in Cell G29 above)	\$	5,865.41	\$ 2,513.75	\$ 8,379.15
(B) RETAIL KW		39,294		
(C) NUMBER OF CUSTOMERS			1	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)		\$0.149270		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)			\$209.4788	

GENERAL SERVICE > 50 KW (TIME OF USE) - Customer 2

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

		VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PIls Estimate REVENUE
		0.700	0.300	100%
(A) ALLOCATED 2001 Pils Estimate (Total in Cell G30 above)	\$	4,861.99	\$ 2,083.71	\$ 6,945.70
(B) RETAIL KW		22,870		
(C) NUMBER OF CUSTOMERS			1	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)		\$0.212592		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)			\$173.6424	

Large User Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE		SERVICE CHARGE REVENUE		ALLOCATED TOTAL 2001 PIls Estimate REVENUE
	Percentage		Percentage		
	0.301		0.699		100%
(A) ALLOCATED 2001 PIls Estimate (Total in Cell G31 above)	\$	2,573.41	\$	5,976.12	\$ 8,549.53
(B) RETAIL KW		84,764			
(C) NUMBER OF CUSTOMERS				1	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)		\$0.030360			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)				\$498.0101	

Sentinel Lighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE		SERVICE CHARGE REVENUE		ALLOCATED TOTAL 2001 PIls Estimate REVENUE
	Percentage		Percentage		
	0.301		0.699		100%
(A) ALLOCATED 2001 PIls Estimate (Total in Cell G32 above)	\$	77.96	\$	181.05	\$ 259.02
(B) RETAIL KW		533			
(C) NUMBER OF CUSTOMERS				417	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)		\$0.146275			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)				\$0.0362	

Streetlighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE		SERVICE CHARGE REVENUE		ALLOCATED TOTAL 2001 PIls Estimate REVENUE
	Percentage		Percentage		
	0.300		0.700		100%
(A) ALLOCATED 2001 PIls Estimate (Total in Cell G33 above)	\$	617.55	\$	1,440.95	\$ 2,058.50
(B) RETAIL KW		10,600			
(C) NUMBER OF CUSTOMERS (Connections)				5,628	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)		\$0.058259			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)				\$0.0213	

SHEET 6 - 2001 PILs Deferral Account Estimate Adder Calculation

NAME OF UTILITY	Festival Hydro Inc. - Hensall Rates	LICENCE NUMBER	ED-1999-0053
NAME OF CONTACT	Debbie Reece	PHONE NUMBER	519-271-4043 (268)
E- Mail Address	dreece@festivalhydro.com		
VERSION NUMBER	3		
Date	21-Jan-02		

This schedule allows LDCs to input the calculated value for the 2001 PILs Defferal Account. Use the methodology released by the Board on December 21, 2001.

Enter the Estimated Value for the 2001 PILs Defferal Account.

\$ 1,861.00

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2001 PILs deferral amount and to create the adders in each class. Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2001 PILs Deferral Allocations
RESIDENTIAL CLASS	-	4,099,937	410	\$50,791.00	100.00%	\$ 1,861.00
GENERAL SERVICE <50 KW CLASS	-	0	-	\$0.00	0.00%	\$ -
GENERAL SERVICE >50 KW NON TIME OF USE	0	-	-	\$0.00	0.00%	\$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	0	\$0.00	0.00%	\$ -
INTERMEDIATE USE	0	-	0	\$0.00	0.00%	\$ -
LARGE USER CLASS	0	-	0	\$0.00	0.00%	\$ -
SENTINEL LIGHTS	0	-	-	\$0.00	0.00%	\$ -
STREET LIGHTING CLASS	0	-	-	\$0.00	0.00%	\$ -
TOTALS				\$50,791.00	1.00	1,861.00
						\$ 1,861.00

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2001 PILs Estimate REVENUE
	Percentage	Percentage	
	0.040	0.960	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G26 above)	\$ 74.44	\$ 1,786.56	\$ 1,861.00
(B) RETAIL KWH	4,099,937		
(C) NUMBER OF CUSTOMERS		410	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	\$0.000018		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		\$0.3631	

SHEET 6 - 2001 PILs Deferral Account Estimate Adder Calculation

NAME OF UTILITY	Festival Hydro Inc - Seaforth Rates	LICENCE NUMBER	ED-1999-0053
NAME OF CONTACT	Debbie Reece	PHONE NUMBER	519-271-4043 (268)
E- Mail Address	dreece@festivalhydro.com		
VERSION NUMBER	3		
Date	21-Jan-02		

This schedule allows LDCs to input the calculated value for the 2001 PILs Defferal Account. Use the methodology released by the Board on December 21, 2001.

Enter the Estimated Value for the 2001 PILs Defferal Account.

\$ 7,271.00

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2001 PILs deferral amount and to create the adders in each class. Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2001 PILs Deferral Allocations
RESIDENTIAL CLASS	-	7,685,310	955	\$234,259.00	100.00%	\$ 7,271.00
GENERAL SERVICE <50 KW CLASS	-	0	-	\$0.00	0.00%	\$ -
GENERAL SERVICE >50 KW NON TIME OF USE	0	-	-	\$0.00	0.00%	\$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	0	\$0.00	0.00%	\$ -
INTERMEDIATE USE	0	-	0	\$0.00	0.00%	\$ -
LARGE USER CLASS	0	-	0	\$0.00	0.00%	\$ -
SENTINEL LIGHTS	0	-	-	\$0.00	0.00%	\$ -
STREET LIGHTING CLASS	0	-	-	\$0.00	0.00%	\$ -
TOTALS				\$234,259.00	1.00	7,271.00
						\$ 7,271.00

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2001 PILs Estimate REVENUE
	Percentage	Percentage	
	0.930	0.070	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G26 above)	\$ 6,762.03	\$ 508.97	\$ 7,271.00
(B) RETAIL KWH	7,685,310		
(C) NUMBER OF CUSTOMERS		955	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	\$0.000880		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		\$0.0444	

	A	B	C	D
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"			
2	REGULATORY INFORMATION (REGINFO)			
3				
4	Utility Name Festival Hydro Inc. Co Application			Amount
5	Reporting period Q4 2001			
6	Version: Amended Tax Return filed in June 2003 being reported August 12, 2005			
7	BACKGROUND			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y/N	Y
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	N
14				
15	Accounting Year End		Date	31-Dec
16				
17	MARR NO TAX CALCULATIONS			
18	SHEET #7 FINAL RUD MODEL DATA			
19	(FROM 1999 FINANCIAL STATEMENTS)			
20	USE BOARD-APPROVED AMOUNTS			
21				
22	Rate base (wires-only)			31,136,775
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			2,666,865
33				
34	1999 return from RUD Sheet #7			681,997
35				
36	Total Incremental revenue			1,984,868
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			661,622
40	Amount allowed in 2002, Year 2			661,622
41	Amount allowed in 2003, Year 3			661,622
42				
43	Equity			15,568,388
44				
45	Return at target ROE			1,538,157
46				
47	Debt			15,568,388
48				
49	Deemed interest amount in EBIT			1,128,708
50				
51	Phase-in of interest - Year 1			568,665
52	$((D34+D39)/D32)*D49$			
53	Phase-in of interest - Year 2			848,686
54	$((D34+D39+D40)/D32)*D49$			
55	Phase-in of interest - Year 3 (D49)			1,128,708
56				

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL "	LINE	Initial	Source	Deferral	Deferral	Deferral	Source	M of F	M of F	M of F	Source
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate		Account	Account	Account		Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)			Foot-	Variance	Variance	Allowance	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5	Reporting period Q4 2001		\$	#	\$		\$	#	\$		\$	#
6												
7	Utility Name: Festival Hydro Inc. Consolidated										Column	
8	Reporting period: December 31, 2001										Brought	
9	Version: Amended Tax Return filed in June 2003 being reported August 12, 2005										Forward	
10											From	
11											TAXREC	
12	J) CORPORATE INCOME TAXES											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1	0	1A	335,905		335,905	1B	-549,183		-213,278	1C
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions: To Accounting Income											
20	Depreciation & Amortization	2	0	2A	487,931		487,931	2B	63,979		551,909	2C
21	Federal Large Corporation Tax	3	0	3A	0			3B	14,484		14,484	3C
22	Employee Benefit Plans - Accrued, Not Paid	4	0	4A	0			4B	0		0	4C
23	Change in Tax Reserves	5	0	5A	0			5B	0		0	5C
24	Regulatory Adjustments	6	0	6A	0		0	6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7	0	7A	0			7B	0		0	7C
27	"Material" Item #2	7	0	7A	0			7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0			7B	1,005,665		1,005,665	7C
29	Deductions: From Accounting Income											
30	Capital Cost Allowance	8	0	8A	-173,611		-173,611	8B	-219,902		-393,513	8C
31	Employee Benefit Plans - Paid Amounts	9	0	9A	0			9B	0		0	9C
32	Items Capitalized for Regulatory Purposes	10	0	10A	0			10B	0		0	10C
33	Regulatory Adjustments	11	0	11A	0		0	11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12	0	12A	-142,166		-142,166	12B	-118,592		-260,758	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13	0	13A	0			13B	0		0	13C
37	"Material" Item #2	13	0	13A	0			13B	0		0	13C
38	Other Deductions (not "Material")	13	0	13A	0			13B	-990,345		-990,345	13C
39												
40	REGULATORY TAXABLE INCOME		0		508,058		508,058		-793,894		-285,836	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	38.6200%	14A	2.0000%		40.6200%	14B	-2.0000%		38.6200%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		0		206,373		206,373		-316,763		-110,390	
48												
49	Miscellaneous Tax Credits	15	0	15A	0			15B	0			15C
50												
51	Total Regulatory Income Tax		0		206,373		206,373		-316,763		-110,390	
52												
53												
54												

[illegible]

[illegible]

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4	Reporting period Q4 2001		Return			note
5	Version: Amended Tax Return filed in June 2003 being reported August 12, 2005					#
6						
7	Utility Name:					
8	Reporting period:					
9						
10	Note: Carry forward Wires-only Data to Tab "TAXCALC"					
11	Column K					
12	I) CORPORATE INCOME TAXES					
13	(Input unconsolidated financial statement data					
14	submitted with tax returns as applicable)					
15	Revenue <u>Gross Margin (Service Revenue less Cost of Power)</u>	1	981,619		981,619	
16	Other Income	2	209,964		209,964	
17	Expenses					
18	Administration (Billing, Data Processing & General Adm.)	3	-566,664		-566,664	
19	Distribution	4	0		0	
20	Operations and Maintenance	5	-226,934		-226,934	
21	Depreciation and Amortization	6	-551,909		-551,909	
22	Municipal Property Taxes	7	-27,675		-27,675	
23	Ontario Capital Tax	8	-17,195		-17,195	
24	Federal LCT	9	-14,484		-14,484	
25						
26	Net Income Before Interest & Income Taxes EBIT	10	-213,278	0	-213,278	1C
27						
28	BOOK TO TAX ADDITIONS:					
29	Depreciation & Amortization		551,909		551,909	2C
30	Federal Large Corporation Tax		14,484	0	14,484	3C
31	Employee benefit plans-accrued, not paid				0	4C
32	Change in tax reserves				0	5C
33	Regulatory adjustments				0	6C
34	Other additions "Material" Item #1				0	7C
35	Other additions "Material" Item #2				0	7C
36			566,393	0	566,393	
37	<i>Other Additions:</i> (From T2 S1)					
38	Recapture of CCA				0	7C
39	Non-deductible expenses:				0	7C
40	Club dues and fees				0	7C
41	Meals and entertainment				0	7C
42	Automobile				0	7C
43	Life insurance premiums				0	7C
44	Company pension plans				0	7C
45	Advertising				0	7C
46	Interest and penalties on taxes				0	7C
47	Legal and accounting fees				0	7C
48	Debt issue expenses				0	7C
49	Capital items expensed				0	7C
50	All crown charges, royalties, rentals				0	7C
51	Deemed dividend income				0	7C
52	Deemed interest on loans to non-residents				0	7C
53	Deemed interest received				0	7C
54	Development expenses claimed				0	7C
55	Dividend stop-loss adjustments				0	7C
56	Dividends credited to investment account				0	7C
57	Investment tax credit				0	7C
58	Financing fees deducted in books				0	7C
59	Foreign accrual property income				0	7C
60	Foreign affiliate property income				0	7C
61						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4	Reporting period Q4 2001		Return			note
5	Version: Amended Tax Return filed in June 2003 being reported August 12, 2005					#
6						
62	Federal reassessment amounts				0	7C
63	Gain on settlement of debt				0	7C
64	Interest paid on income debentures				0	7C
65	Gain on sale of eligible capital property				0	7C
66	Loss on disposal of assets				0	7C
67	Reserves from financial statements- end of year		1,007,971		1,007,971	7C
68	Holdbacks				0	7C
69	Taxable capital gains				0	7C
70	Political donations- book				0	7C
71	Charitable donations- book				0	7C
72	Capitalized interest				0	7C
73	Deferred and prepaid- beginning of year				0	7C
74	Tax reserves deducted in prior year		0		0	7C
75	Loss from joint ventures		-2,306		-2,306	7C
76	Loss from subsidiaries				0	7C
77	Limited partnership losses				0	7C
78	Sales tax assessments				0	7C
79	Share issue expenses				0	7C
80	Write-down of capital property				0	7C
81					0	
82	<i>Other Additions:</i>				0	7C
83					0	
84	<i>Total Other Additions</i>		1,005,665	0	1,005,665	7C
85						
86	<i>Total Additions</i>		1,572,058	0	1,572,058	
87						
88	BOOK TO TAX DEDUCTIONS:					
89	Capital cost allowance		-393,513		-393,513	8C
90	Employee benefit plans-paid amounts				0	9C
91	Items capitalized for regulatory purposes				0	10C
92	Regulatory adjustments				0	11C
93	Interest expense incurred		-260,758		-260,758	12C
94	Other deductions "Material" Item #1				0	13C
95	Other deductions "Material" Item #2				0	13C
96			-654,271	0	-654,271	
97	<i>Other deductions: (From T2 S1)</i>					
98	Grossed up Part VI.1 tax (preferred shares)				0	13C
99	Amortization of eligible capital expenditures				0	13C
100	Amortization of debt and equity issue cost				0	13C
101	Loss carryback to prior period				0	13C
102	Contributions to deferred income plans				0	13C
103	Contributions to pension plans				0	13C
104	Income from subsidiaries				0	13C
105	Income from joint ventures				0	13C
106	Gain on disposal of assets				0	13C
107	Terminal loss				0	13C
108	Cumulative eligible capital deduction		-3,756		-3,756	13C
109	Allowable business investment loss				0	13C
110	Holdbacks				0	13C
111	Deferred and prepaids- end of year				0	13C
112	Tax reserves claimed in current year				0	13C
113	Reserves from F/S- beginning of year		-986,589		-986,589	13C
114	Patronage dividends				0	13C
115	Accrued dividends- current year				0	13C
116	Bad debts				0	13C

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4	Reporting period Q4 2001		Return			note
5	Version: Amended Tax Return filed in June 2003 being reported August 12, 2005					#
6						
117						
118						
119	Exempt income under section 81				0	13C
120	Contributions to environmental trust				0	13C
121	Other income from financial statements				0	13C
122	Charitable donations - tax basis				0	13C
123	Gifts to Canada or a province				0	13C
124	Cultural gifts				0	13C
125	Ecological gifts				0	13C
126	Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
127	Non-capital losses-preceding years				0	13C
128	Net-capital losses- preceding years				0	13C
129	Limited partnership losses- preceding years				0	13C
130	<i>Other deductions:</i>				0	13C
131					0	
132					0	
133	<i>Total Other Deductions</i>		-990,345	0	-990,345	13C
134						
135	<i>Total Deductions</i>		-1,644,616	0	-1,644,616	
136						
137						
138	TAXABLE INCOME		-285,836	0	-285,836	
139						
140						
141						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4	Reporting period Q4 2001		Return			note
5	Version: Amended Tax Return filed in June 2003 being reported August 12, 2005					#
6						
142						
143						
144	ONTARIO CAPITAL TAX					
145						
146	PAID-UP CAPITAL					
147						
148	Paid-up capital stock		21,337,111		21,337,111	
149	Retained earnings (if deficit, deduct)		115,830		115,830	
150	Capital and other surplus excluding				0	
151	appraisal surplus				0	
152	Loans and advances (Demand Note Payable)		14,028,418		14,028,418	
153	Bank loans				0	
154	Bankers acceptances				0	
155	Bonds and debentures payable				0	
156	Mortgages payable				0	
157	Lien notes payable				0	
158	Deferred credits				0	
159	Contingent, investment, inventory and		1,007,971		1,007,971	
160	similar reserves				0	
161	Other reserves not allowed as deductions				0	
162	Share of partnership(s), joint venture(s)				0	
163	paid-up capital				0	
164	Sub-total		36,489,330	0	36,489,330	
165	Subtract:					
166	Amounts deducted for income tax		3,421,297		3,421,297	
167	purposes in excess of amounts booked				0	
168	Deductible R&D expenditures and ONTTI				0	
169	costs deferred for income tax				0	
170					0	
171	Total (Net) Paid-up Capital		39,910,627	0	39,910,627	
172						
173	ELIGIBLE INVESTMENTS					
174						
175	Bonds, lien notes, interest coupons				0	
176	Mortgages due from other corporations				0	
177	Shares in other corporations				0	
178	Loans and advances to unrelated corporations				0	
179	Eligible loans and advances to related		233,456		233,456	
180	corporations				0	
181	Share of partnership(s) or joint venture(s)				0	
182	eligible investments				0	
183						
184	Total Eligible Investments		233,456	0	233,456	
185						
186						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4	Reporting period Q4 2001		Return			note
5	Version: Amended Tax Return filed in June 2003 being reported August 12, 2005					#
6						
187						
188	TOTAL ASSETS					
189						
190	Total assets per balance sheet		42,040,649		42,040,649	
191	Mortgages or other liabilities deducted from				0	
192	assets				0	
193	Share of partnership(s)/ joint venture(s) total				0	
194	assets				0	
195	Subtract: Investment in partnership(s)/joint				0	
196	venture(s)				0	
197						
198	Total assets as adjusted		42,040,649	0	42,040,649	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and				0	
202	similar reserves				0	
203	Other reserves not allowed as deductions				0	
204	Subtract:				0	
205	Amounts deducted for income tax				0	
206	purposes in excess of amounts booked				0	
207	Deductible R&D expenditures and ONTTI				0	
208	costs deferred for income tax				0	
209	Subtract: Appraisal surplus if booked				0	
210	Add or subtract: Other adjustments			1	1	
211						
212	Total Assets		42,040,649	1	42,040,650	
213						
214	Investment Allowance					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		221,628	0	221,628	
218						
219	Taxable Capital					
220						
221	Net paid-up capital		39,910,627	0	39,910,627	
222	Subtract: Investment Allowance		-221,628	0	-221,628	
223					0	
224	Taxable Capital		39,688,999	0	39,688,999	
225						
226	Capital Tax Calculation					
227						
228	Taxable capital		39,688,999	0	39,688,999	16C
229						
230	Deduction from taxable capital up to \$5,000,000		-4,824,419		-4,824,419	17C
231						
232	Net Taxable Capital		34,864,580	0	34,864,580	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		92	92	92	
237	Divide days by 365		0.2521	0.2521	0.2521	
238						
239	Ontario Capital Tax		26,363	0	26,363	
240						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4	Reporting period Q4 2001		Return			note
5	Version: Amended Tax Return filed in June 2003 being reported August 12, 2005					#
6						
241						
242						
243	LARGE CORPORATION TAX					
244						
245	CAPITAL					
246						
247	ADD:					
248	Reserves that have not been deducted in				0	
249	computing income for the year under Part I		1,007,971		1,007,971	
250	Capital stock		21,337,111		21,337,111	
251	Retained earnings		115,830		115,830	
252	Contributed surplus				0	
253	Any other surpluses				0	
254	Deferred unrealized foreign exchange gains				0	
255	All loans and advances to the corporation		128,418		128,418	
256	All indebtedness- bonds, debentures, notes,		13,900,000		13,900,000	
257	mortgages, bankers acceptances, or similar				0	
258	obligations				0	
259	Any dividends declared but not paid				0	
260	All other indebtedness outstanding for more				0	
261	than 365 days				0	
262						
263	Subtotal		36,489,330	0	36,489,330	
264						
265	DEDUCT:					
266	Deferred tax debit balance				0	
267	Any deficit deducted in computing				0	
268	shareholders' equity				0	
269	Any patronage dividends 135(1) deducted in				0	
270	computing income under Part I included in				0	
271	amounts above				0	
272	Deferred unrealized foreign exchange losses				0	
273						
274	Subtotal		0	0	0	
275						
276	Capital for the year		36,489,330	0	36,489,330	
277						
278	INVESTMENT ALLOWANCE					
279						
280	Shares in another corporation				0	
281	Loan or advance to another corporation				0	
282	Bond, debenture, note, mortgage, or				0	
283	similar obligation of another corporation				0	
284	Long term debt of financial institution				0	
285	Dividend receivable from another corporation				0	
286	Debts of corporate partnerships that were not				0	
287	exempt from tax under Part I.3				0	
288	Interest in a partnership				0	
289						
290	Investment Allowance		0	0	0	
291						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4	Reporting period Q4 2001		Return			note
5	Version: Amended Tax Return filed in June 2003 being reported August 12, 2005					#
6						
292						
293	<u>TAXABLE CAPITAL</u>					
294						
295	Capital for the year		36,489,330	0	36,489,330	
296						
297	Deduct: Investment allowance		0	0	0	
298						
299	Taxable Capital for taxation year		36,489,330	0	36,489,330	19C
300						
301	Deduct: Capital Deduction \$10,000,000		-10,000,000		-10,000,000	20C
302						
303	Taxable Capital		26,489,330	0	26,489,330	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		92	92	92	
308	Divide days by 365		0.2521	0.2521	0.2521	
309						
310	Gross Part I.3 Tax LCT		15,023	0	15,023	
311						
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
313						
314	Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
315						
316	Net Part I.3 Tax LCT Payable		15,023	0	15,023	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						

Ontario Energy
Board
P.O. Box 2319
26th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'Énergie
de l'Ontario
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Toronto ON M4P 1E4
Téléphone; 416- 481-1967
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Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

March 4, 2002

Mr. Peter Switzer
President
Festival Hydro Inc.
P.O. Box 397
187 Erie Street
Stratford, ON
N5A 6T5

Dear Mr. Switzer:

**Re: Festival Hydro Inc.
March 2002 LDC Rate Adjustments
Board File No. RP-2002-0078/EB-2002-0087**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

Encl.



RP-2002-0078
EB-2002-0087

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 Festival
Hydro Inc. for an order or orders approving or fixing
just and reasonable rates.

BEFORE: Paul Vlahos
Vice Chair and Presiding Member

George Dominy
Vice Chair and Member

DECISION AND ORDER

On December 21, 2001 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for the March 1, 2002 distribution rate adjustments. Supplemental instructions were issued on January 18, 2002.

Festival Hydro Inc. ("the Applicant") filed an Application ("the Application"), dated January 23, 2002, for an order or orders under section 78 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002.

The Applicant filed a revised application ("the Revised Application") dated February 22, 2002.

The Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and providing the opportunity for ratepayers to participate in the proceeding or comment on the utility's application. In response to the Board's generic Notice, the Board received a total of 148 submissions in the form of a letter, facsimile, or e-mail. The total may be apportioned to the following four categories:

- 100 were copies of a template submission seeking an oral hearing, wanting to make oral submissions, claiming that rates are not just and reasonable. Another 9 were of the same template but indicated they did not wish to make an oral submission.
- 10 indicated that there should be an oral hearing and wanted to make a submission.
- 11 indicated that there should be an oral hearing but did not wish to make an oral submission.
- 18 made substantive submissions.

In some cases the submission named a specific electricity distributor, in other cases it did not. The Applicant was not named in any of the submissions.

By letter dated February 11, 2002 the Board directed electricity distributors to serve the Notice to the municipal corporation in the distributors' service area. No submissions were received.

The Applicant applied to adjust its distribution rates for the following:

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.
- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), \$661,622.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$370,961.
- the 2002 Payments in Lieu of Taxes (PILs), \$1,226,572.
- an interim transition cost recovery of \$36,651.
- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$81,598.

In addition, the Applicant proposed to change the Fixed Charge/Variable Charge ratios from the values used in the 2001 RUD Model for its three distinct residential classes. This change would allow the Applicant to harmonize the residential rates amongst them over the long term, and at the same time mitigate against excessive rate changes for residential customers in its territory.

Copies of the Application and supporting material are available for review at the Board's offices.

While the Board has considered all of the evidence filed in this proceeding, the Board has only referenced the evidence to the extent necessary to provide background to its findings.

Board Findings

As noted above, a number of persons have written to the Board requesting that the Board hold an oral hearing in the matter of the applications by electricity distributors.

Under subsection 5.1(2) of the *Statutory Powers Procedure Act*, the Board shall not hold a written hearing where a party satisfies it that there is good reason not to hold a written hearing, in which case the Board will proceed by way of an oral or electronic hearing. Good reasons for proceeding by way of an oral hearing may include the existence of questions of credibility in which the Board will be assisted by the ability to observe the demeanor of witnesses or the complexity of evidence which parties should have the ability to test through cross-examination. Another good reason may be where an oral hearing would allow the Board to more expeditiously deal with an application.

The persons who have requested an oral hearing have not cited any such reasons but have in most cases merely stated that “the rates are not just and reasonable” and that they “would like the opportunity to present to the Board on this matter”.

The current proceeding is an extension of the process undertaken by the Board to restructure Ontario’s electricity distribution industry. To facilitate this work, the Board developed a regulatory framework that was the result of extensive consultation and public hearings. The current applications are the result of this framework, which is largely formulaic and includes for the first time the provision for the legislative requirement of PILs.

Persons have received an opportunity to make their concerns known to the Board through the published Notice which invited written submissions on the

applications. The Board notes that a written hearing is a public process in which all documents received by the Board are available to the public. The Board further notes that most of the issues raised by the submissions of the persons requesting an oral hearing are outside of the scope of the Board's jurisdiction in this proceeding. For example, some persons raised issues of privatization of electricity services and limitations in international trade agreements on the ability of the government to make changes to Ontario's electricity system in the future. These are not relevant to the Board's duty in this proceeding to approve just and reasonable rates for an individual distributor regulated by the Board.

Therefore, the Board has decided not to hold an oral hearing in this matter.

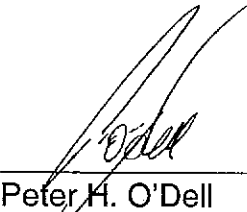
The Board finds that the Applicant's proposals in the Revised Application conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

THE BOARD ORDERS THAT:

- 1) The rates set out in Appendix "A" of this Order are approved effective March 1, 2002.
- 2) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

DATED at Toronto, March 4, 2002.

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2002-0078
EB-2002-0087

March 4, 2002

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'P. O'Dell', is written over a horizontal line.

Peter H. O'Dell
Assistant Board Secretary

Festival Hydro Inc.
Schedule of Rates and Charges
Effective March 1, 2002

RP-2002-0078
EB-2002-0087

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31

Summer: All Hours, April 1 through September 30

Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays
including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto)
Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.

Off Peak: All Other Hours.

Cost of Power rates valid only until subsection 26(1) of the Electricity Act, 1998 comes into effect.

RESIDENTIAL - EXCLUSIVE OF SEAFORTH AND HENSALL

Monthly Service Charge	(per month)	\$14.41 ✓
Distribution Volumetric Rate	(per kWh)	\$0.01127 ✓
Cost of Power Rate	(per kWh)	\$0.07404

RESIDENTIAL- SEAFORTH

Monthly Service Charge	(per month)	\$15.75 ✓
Distribution Volumetric Rate	(per kWh)	\$0.01112 ✓
Cost of Power Rate	(per kWh)	\$0.07731

RESIDENTIAL - HENSALL

Monthly Service Charge	(per month)	\$6.26 ✓
Distribution Volumetric Rate	(per kWh)	\$0.00680 ✓
Cost of Power Rate	(per kWh)	\$0.0722

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$29.35 ✓
Distribution Volumetric Rate	(per kWh)	\$0.010780 ✓
Cost of Power Rate	(per kWh)	\$0.07297

GENERAL SERVICE < 50 KW (Time of Use)

Monthly Service Charge	(per month)	\$29.35
Distribution Volumetric Rate	(per kWh)	\$0.01078
Cost of Power - Winter Peak	(per kWh)	\$0.11173
Cost of Power - Winter Off Peak	(per kWh)	\$0.04165
Cost of Power - Summer Peak	(per kWh)	\$0.09340
Cost of Power - Summer Off Peak	(per kWh)	\$0.03090

Festival Hydro Inc.
Schedule of Rates and Charges - Page 2
 Effective March 1, 2002

RP-2002-0078
 EB-2002-0087

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	\$224.02 ✓
Distribution Volumetric Rate	(per kW)	\$1.82802 ✓
Cost of Power Demand Rate	(per kW)	\$7.76842
Cost of Power Energy Rate	(per kWh)	\$0.05163

GENERAL SERVICE > 50 KW (TIME OF USE) - Customer 1

Monthly Service Charge	(per month)	\$4,571.49 ✓
Distribution Volumetric Rate	(per kW)	\$3.317934 ✓
Cost of Power - Winter Peak	(per kW)	\$8.13568
Cost of Power - Summer Peak	(per kW)	\$6.15462
Cost of Power - Winter Peak	(per kWh)	\$0.06992
Cost of Power - Winter Off Peak	(per kWh)	\$0.04177
Cost of Power - Summer Peak	(per kWh)	\$0.05903
Cost of Power - Summer Off Peak	(per kWh)	\$0.03098

GENERAL SERVICE > 50 KW (TIME OF USE) - Customer 2

Monthly Service Charge	(per month)	\$3,789.43 ✓
Distribution Volumetric Rate	(per kW)	\$5.487310 ✓
Cost of Power - Winter Peak	(per kW)	\$0.60913
Cost of Power - Summer Peak	(per kW)	\$1.36653
Cost of Power - Winter Peak	(per kWh)	\$0.06992
Cost of Power - Winter Off Peak	(per kWh)	\$0.04177
Cost of Power - Summer Peak	(per kWh)	\$0.05903
Cost of Power - Summer Off Peak	(per kWh)	\$0.03098

LARGE USE

Monthly Service Charge	(per month)	\$10,868.16 ✓
Distribution Volumetric Rate	(per kW)	\$0.639660 ✓
Cost of Power - Winter Peak	(per kW)	\$12.02590
Cost of Power - Summer Peak	(per kW)	\$8.99294
Cost of Power - Winter Peak	(per kWh)	\$0.06886
Cost of Power - Winter Off Peak	(per kWh)	\$0.04119
Cost of Power - Summer Peak	(per kWh)	\$0.05815
Cost of Power - Summer Off Peak	(per kWh)	\$0.03058

Festival Hydro Inc.
Schedule of Rates and Charges - Page 3
 Effective March 1, 2002

RP-2002-0078
 EB-2002-0087

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	\$0.78 ✓
Distribution Volumetric Rate	(per kW)	\$3.47351
Cost of Power Demand Rate	(per kW)	\$20.08567 ²

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per connection)	\$0.48 ✓
Distribution Volumetric Rate	(per kW)	\$1.32471 ✓
Cost of Power - Winter	(per kW)	\$29.89623
Cost of Power - Summer	(per kW)	\$10.22420

UN-METERED SCATTERED LOADS

Monthly Service Charge	(per connection)	\$29.35 ✓
Distribution Volumetric Rate	(per kWh)	\$0.010780 ✓
Cost of Power Rate	(per kWh)	\$0.07297

SPECIFIC SERVICE CHARGES

New Account Setup		\$ 6.50
Change of Occupancy		\$ 6.50
Arrear's Certificate		\$ 6.50
Late payment charge	(per month)	1.50%
	(per annum)	19.56%
Returned Cheque		\$ 8.75
Collection of Account Charge		\$ 7.50
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours		\$ 19.25
At Meter - After Hours		\$ 42.50
Diversity Adjustment Credit (per KW)	Winter	\$ 2.22
(discontinued at Market Opening)	Summer	\$ 1.91
Transformer Ownership Allowance		
(per KW billing demand. Service at less than 115KV per KW)		\$ (0.60)



2001 Final Administrative
T2 CORPORATION INCOME TAX RETURN
(1998 and later taxation years)

Schedule 200

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*.

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) (item 11) 001 89957 1814 RC 0001

Corporation's name (item 12)

002

FESTIVAL HYDRO INC.

COPY

Has the corporation changed its name since the last time we were notified?

003 ☐ Yes ☒ No

If yes, do you have a copy of the articles of amendment?

004 ☐ Yes ☒ No

Address of head office (item 13)

Has the address changed since the last time we were notified?

010 ☐ Yes ☒ No

011

012

City

Province

015

016

Country (other than Canada)

Postal code

017

018

To which taxation year does this return apply? (item 17)

From 060 2001/10/01 to 061 2001/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year?

063 ☐ Yes ☒ No

If yes, provide date control was acquired

065

Is the corporation a professional corporation that is a member of a partnership? (item 18)

067 ☐ Yes ☒ No

Mailing address (if different from head office address) (item 14)

Has the address changed since the last time we were notified?

020 Yes ☐ No ☒

021 C/o

022

023

City

Province

025

026

Country (other than Canada)

Postal code

027

028

Is this the first year of filing after:

Incorporation? (item 19)

070 ☐ Yes ☒ No

Amalgamation? (item 20)

071 ☐ Yes ☒ No

If yes, please provide Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year? (item 21)

If yes, please provide Schedule 24

072 ☐ Yes ☒ No

Is this the final taxation year

before amalgamation? (item 22)

076 ☐ Yes ☒ No

Is this the final return up to

dissolution? (item 23)

078 ☐ Yes ☒ No

Is the corporation a resident

of Canada? (item 24)

080 ☒ Yes ☐ No

If no, give the country of residence.

081

040 Type of corporation at end of taxation year (item 16)

1 ☒ Canadian controlled private corporation (CCPC)

4 ☐ Corporation controlled by a public corporation

2 ☐ Other private corporation

5 ☐ Other corporation (please specify, below)

3 ☐ Public corporation

If the type of corporation changed during the taxation year, provide the effective date of the change

043

Is the non-resident corporation claiming an exemption under an income Tax treaty? (item 24)

If yes, please provide Schedule 91

082 ☐ Yes ☒ No

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)

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

Guide item		Attachments		Yes	Schedule
27	Is the corporation related to any other corporations?	150	☐		9
28	Does the corporation have any non-resident shareholders?	151	☐		19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	☒		23
30	Is the corporation an associated CCPC 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 an 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 <i>Income Tax Regulations</i> ?	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?	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	☒		50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	☒		1
78-81	Has the corporation made any charitable donations or gifts of cultural or ecological property?	202	☐		2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	☐		3
69-76	Is the corporation claiming any type of losses?	204	☒		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
102	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (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	☒		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?	217	☐		17
149	Is the corporation an investment corporation or a mutual fund corporation?	218	☐		18
130	Is 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 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/T665
123	Is the corporation subject to Part 1.3 tax?	233	☒		33/34/35
123	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	☐		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
127	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

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

Additional information

- Is the corporation inactive? (item 48) **280** 1 Yes ☐ 2 No ☒
- Has the major business activity changed since the last return was filed?
(enter yes for first time filers) (item 49) **281** 1 Yes ☐ 2 No ☒
- What is the corporation's major business activity? (item 50) **282**
(Only complete if yes was entered at line 281.)
- If the major activity involves the resale of goods, indicate whether is is wholesale or retail (item 51) **283** 1 Wholesale ☐ 2 Retail ☒
- Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)
- | | |
|----------------------------|----------------------|
| 284 ELECTRICAL DIST | 285 100.000 % |
| 286 | 287 % |
| 288 | 289 % |
- Did the corporation immigrate to Canada during the taxation year? (item 53) **291** 1 Yes ☐ 2 No ☒
- Did the corporation emigrate from Canada during the taxation year? (item 54) **292** 1 Yes ☐ 2 No ☒

Taxable income

- Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFL (item 77) **300** (109,322) A
- Deduct:
- | | |
|---|------------|
| Charitable donations from Schedule 2 (item 78) | 311 |
| Gifts to Canada or a province from Schedule 2 (item 79) | 312 |
| Cultural gifts from Schedule 2 (item 80) | 313 |
| Ecological gifts from Schedule 2 (item 81) | 314 |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82) | 320 |
| Part VI.1 tax deduction from Schedule 43 (item 83) | 325 |
| Non-capital losses of preceding taxation years from Schedule 4 (item 84) | 331 |
| Net capital losses of preceding taxation years from Schedule 4 (item 85) | 332 |
| Restricted farm losses of prior taxation years from Schedule 4 (item 86) | 333 |
| Farm losses of prior taxation years from Schedule 4 (item 87) | 334 |
| Limited partnership losses of prior years from Schedule 4 (item 88) | 335 |
| Taxable capital gains or taxable dividends allocated from a central credit union (item 89) | 340 |
| Prospector's and grubstaker's shares (item 90) | 350 |
| Subtotal | |
| Subtotal | |
- Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91) **355** D
- Taxable income** (amount C plus amount D) (item 92) **360** 0
- Income exempt under paragraph 149(1)(t) (item 93) **370**
- Taxable income** for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94) Z

Small business deduction**Canadian-controlled private corporations throughout the taxation year**

Income from active business carried on in Canada from Schedule 7 (item 95)	400	A
Taxable income from line 360 or amount Z, 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 (item 96)	405	B
Business limit (for associated corporations, enter business limit from Schedule 23) (item 97)	410	50,411 C
Reduction to business limit: (item 98)		
Amount C 50,411 X 415 ***	D	
	11,250	E
Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	50,411 F
Small business deduction - 16% of the least of amounts A, B, C, and F	430	0 G

(enter amount G of line 9 on page 7)

- * 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 (item 99)**Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**

Reduced business limit (amount from line 425)	x 3/2 =	A
Net active business income (amount from line 400)*		B
Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of 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)		D
Amount C minus amount D (if negative, enter "0")		E
The least of amounts A, B, or E above		F
Amount Z from Part 9 of Schedule 27	x 100 / 7 =	G
Amount QQ from Part 13 of Schedule 27		H
Resource allowance (amount from line 346 of Schedule 1)	x 3 =	I
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		J
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction		K
Total of amounts G, H, I, J, and K		L
Amount F minus amount L (if negative, enter "0")		M
Amount M	x Days in the taxation year after December 31, 2000	
	Days in the taxation year	= N
Accelerated tax reduction - 7% of amount N		O

(Enter amount O on line 637 of page 7)

- * 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 (item 100)**Canadian-controlled private corporations throughout taxation year**

Taxable income from line 360 or amount Z of page 3					A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =		B	
Amount QQ from Part 13 of Schedule 27				C	
Resource allowance (amount from line 346 of Schedule 1)		x 3 =		D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)				E	
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction				F	
Aggregate investment income from line 440 of page 6				G	
Amount used to calculate the accelerated tax reduction (amount M on 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 in 2001	92	x 1% =	K
		Number of days in the taxation year	92		
Amount J	x	Number of days in the taxation year in 2002	92	x 3% =	L
		Number of days in the taxation year	92		
General tax reduction for Canadian-controlled private corporations - amount K plus amount L					M
(enter amount M on line 638 of page 7)					

General tax reduction (item 101)**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					A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =		B	
Amount QQ from Part 13 of Schedule 27				C	
Resource allowance (amount from line 346 of Schedule 1)		x 3 =		D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)				E	
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction				E1	
Total of amounts B, C, D, E and E1					F
Amount A minus amount F (if negative, enter "0")					G
Amount G	x	Number of days in the taxation year in 2001		x 1% =	H
		Number of days in the taxation year			
Amount G	x	Number of days in the taxation year in 2002		x 3% =	I
		Number of days in the taxation year			
General tax reduction - amount H plus amount I					J
(enter amount J on line 639 of page 7)					

Refundable portion of Part I tax (item 102)**Canadian-controlled private corporations throughout the taxation year**

Aggregate investment income **440** X 26 2/3 % = **A**
 (Amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7

Deduct:

Foreign investment income **445** X 9 1/3 % = **B**
 (Amount O from Part 1 of Schedule 7) (if negative, enter "0")

Amount A minus amount B (if negative, enter "0") **C**

Taxable income from line 360 on page 3

Deduct:

Least of amounts on lines 400, 405, 410, and 425
 on page 4

Foreign non-business income tax credit
 from line 632 on page 7 x 25/9 =

Foreign business income tax credit from
 line 636 on page 7 x 10/4 =

X 26 2/3 % = **D**

Part I tax payable minus investment tax credit refund
 (line 700 minus line 780 on page 8)

Deduct corporate surtax from line 600 on page 7

Net amount **E**

Refundable portion of Part I tax - the least of amounts C, D, and E **450** **0 F**

Refundable dividend tax on hand (item 103)

Refundable dividend tax on hand at the end of the preceding tax year **460**

Deduct dividend refund for the previous taxation year **465**

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from line 360 on page 2 of Schedule 3

Net refundable dividend tax on hand transferred from a predecessor

corporation on amalgamation, or from a wound-up subsidiary corporation **480** **B**

Refundable dividend tax on hand at the end of the taxation year - Amount A plus Amount B **485** **0**

Dividend refund (item 104)**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 X 1/3 **A**

Refundable dividend tax on hand at the end of the taxation year from line 485 above **B**

Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8) **0**

Part I tax**Base amount of Part I tax** - 38% of taxable income (line 360 or amount Z, whichever applies)from page 3 (item 105) 550 0 A**Corporate surtax calculation** (item 106)Base amount from line A above 1**Deduct:**10% of taxable income (line 360 or amount Z, whichever applies) from page 3 2Investment corporation deduction from line 620 below 3Federal logging tax credit from line 640 below 4Federal qualifying environment trust tax credit from line 648 below 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% of taxable income from line 360 on page 3 a28% of taxed capital gains b 6Part I tax otherwise payable
(line A plus line C and D minus line F) cTotal of lines 2 to 6 7Net amount (line 1 minus line 7) 8**Corporate surtax** - 4% of the amount on line 8 600 BRecapture of investment tax credit from line XX in Part 16 on page 8 of Schedule 31 (item 107) 602 C**Calculation for the refundable tax on Canadian-controlled private corporation's investment income**
(for a CCPC throughout the taxation year) (item 108)Aggregate investment income from line 440 on page 6 i

Taxable income from line 360 on page 4

Deduct:The least of amounts on lines 400, 405, 410, and 425
on page 4Net amount ii**Refundable tax on CCPC's investment income** - 6 2/3 % of the lesser of amounts i or ii 604 DSubtotal (add lines A, B, C, and D) E**Deduct:**Small business deduction from line 430 on page 4 9Federal tax abatement (item 109) 608Manufacturing and processing profits deduction from amount BB or VV
of Schedule 27 (item 110) 616Investment corporation deduction (item 111) 620

(Taxed capital gains 624)

Additional deduction - credit unions from Schedule 17 (item 112) 628Federal foreign non-business income tax credit from Schedule 21 (item 113) 632Federal foreign business income tax credit from Schedule 21 (item 114) 636Accelerated tax reduction from amount O of page 4 (item 115) 637General tax reduction for CCPC's from amount L of page 5 (item 116) 638General tax reduction from amount I of page 5 (item 116) 639Federal logging tax credit from Schedule 21 (item 117) 640Federal political contribution tax credit (item 118) 644Federal political contributions 646Federal qualifying environmental trust tax credit (item 119) 648Investment tax credit from Schedule 31 (item 120) 652Subtotal F**Part I tax payable** - Line E minus line F (enter amount G on line 700 on page 8) (item 121) 0 G

Summary of tax and credits**Federal tax**

Part I tax payable from page 5 (item 122)	700	
Part I.3 tax payable from Schedule 33, 34, or 35 (item 123)	704	15,019
Part II tax payable from Schedule 46 (item 124)	708	
Part IV tax payable from Schedule 3 (item 125)	712	
Part IV.1 tax payable from Schedule 43 (item 126)	716	
Part VI tax payable from Schedule 38 (item 127)	720	
Part VI.1 tax payable from Schedule 43 (item 128)	724	
Part XIII.1 tax payable from Schedule 92 (item 129)	727	
Part XIV tax payable from Schedule 20 (item 130)	728	
Total federal tax		15,019

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 131)	750	ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)		
Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 132)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 146)	765	

Total tax payable 770 **15,019** A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 147)	780	
Dividend refund from Page 4 (items 148)	784	
Federal capital gains refund from Schedule 18 (item 149)	788	
Federal qualifying environmental trust tax credit refund (item 150)	792	
Canadian film or video production tax credit refund from Form T1131 (item 151)	796	
Film or video production services tax credit refund from Form T1177 (item 152)	797	
Tax withheld at source (item 153)	800	
Total payments on which tax has been withheld (item 153)	801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 154)	804	
Provincial and territorial capital gains refund from Schedule 18 (item 155)	808	
Provincial and territorial refundable tax credits from Schedule 5 (item 156)	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order (item 157)	816	
Tax instalments paid (item 158)	840	15,019

Total credits 890 **15,019** **15,019** B

Balance (line A minus line B) **0** I

Refund Code **894** ☐ Overpayment (item 162)

Direct Deposit Request (item 163)

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 (item 162) _____
Enclosed payment (item 161) **898** _____

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 is due? (item 160)

896 1 Yes ☐ 2 No ☒ NA ☐

Certification (item 164)

950 Zehr Surname **951** William First name **954** PRESIDENT Position, office or rank

955 2004/09/07 Date **956** (519) 271-4700 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 **959** () _____ Telephone number

Language of correspondence - Langue de correspondance (item 165)

990 Language of choice/Langue de choix **1** English / Anglais ☒ **2** Français / French ☐

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**NET INCOME (LOSS) FOR INCOME TAX PURPOSES****Schedule 1**

- 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.

Net income (loss) after taxes and extraordinary items per financial statements A (286,794)

Add:

Amortization of tangible assets	104	543,134	
Amortization of intangible assets	106	8,775	
Income/loss for tax purposes - joint ventures/partnerships	109	(2,306)	
Reserves from financial statements - balance at the end of the year	126	1,007,971	
Total of fields 101 to 199	500	1,557,574	▶ 1,557,574

Deduct:

Capital cost allowance - Schedule 8	403	389,757	
Cumulative eligible capital deduction - Schedule 10	405	3,756	
Reserves from financial statements - balance at the beginning of the year	414	986,589	
Total of fields 401 to 499	510	1,380,102	▶ 1,380,102

Net income (loss) for income tax purposes (enter on line 300 of the T2 return) (109,322)



Part 1 - Non-capital loss

Non-capital loss continuity by year

Non-capital loss continuity by year							
Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/09/30							
2001/09/30							
2001/12/31					109,322		109,322
Totals					109,322		109,322

Current year non-capital loss

Net income (loss) for income tax purposes	(109,322)
Deduct:	
Net capital losses deducted in the year	
Taxable dividends deductible under sections 112, 113 or subsection 138(6)	
Amount of Part VI.1 tax deductible	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	
Subtotal - if positive, enter "0"	(109,322)
Deduct: Section 110.5 - addition for foreign tax credits	
Add: Current year farm loss	
Current year non-capital loss (if positive, enter "0")	(109,322)

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year			
Losses expired after 7 years	100	-	
Non-capital losses - beginning balance	102	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation			105 +
Current year non-capital loss from above	110	109,322	
Deduct - Non-capital loss carry back to:			
1st preceding taxation year against taxable income	901		
2nd preceding taxation year against taxable income	902		
3rd preceding taxation year against taxable income	903		
1st preceding taxation year against taxable dividends subject to Part IV tax	911		
2nd preceding taxation year against taxable dividends subject to Part IV tax	912		
3rd preceding taxation year against taxable dividends subject to Part IV tax	913		
Current year non-capital loss net of carryback		109,322	+ 109,322
		Subtotal	= 109,322
Deduct:			
Amount applied against taxable income (enter on line 331 of T2 return)	130		
Amount applied against dividends subject to Part IV tax	135		
Section 80 adjustments	140		
Other adjustments	150		
Non-capital losses - ending balance			180 = 109,322

Election under paragraph 88(1.1)(f)

190 ☐ Yes

Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 - Farm loss

Farm loss continuity by year

Partnership loss continuity by year							
Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/09/30							
2001/09/30							
2001/12/31							
Totals							

Farm loss continuity and carry-back request

300-

302 =

305+

310

921

922

923

931

932

933

Subtotal

+

Subtotal

Deduct:

330

335

340

350

Farm losses - ending balance

380 =

Restricted farm loss continuity by year

Current year restricted farm loss

Restricted farm loss continuity and carry-back request

Page 2 of 2

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CAPITAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? 101 1 Yes ☐ 2 No ☐

1 Class	2 UCC at start of year	3 Cost of additions in the year	4 Net adjustments	5 Proceeds of dispositions in the year	7 Adjustment for additions (1/2 x (col 3 - 5))	8 Base amount for CCA	9 Rate %	10 CCA for the year (col 8 x 9 or a lower amount)	11 Recapture of CCA	12 Terminal loss	13 UCC at the end of the year
200	201	203	205	207	211		212	217	213	215	220
1	3,332,486	89,519			44,760	3,377,245	4	34,050			3,387,955
1	3,401,473	127,262			63,631	3,465,104	4	34,936			3,493,799
1	2,455,133	319,429			159,715	2,614,847	4	26,363			2,748,199
1	3,280,259	304,569			152,285	3,432,543	4	34,608			3,550,220
1	4,783,506	298,744			149,372	4,932,878	4	49,734			5,032,516
1	1,918,799	61,822			30,911	1,949,710	4	19,657			1,960,964
2	1,023,025					1,023,025	6	15,472			1,007,553
1	982,556					982,556	4	9,906			972,650
1	526,377					526,377	4	5,307			521,070
1	852,491	29,336			14,668	867,159	4	8,743			873,084
8	56,280	27,432			13,716	69,996	20	3,529			80,183
10	47,726	1,242			621	48,347	30	3,656			45,312
12	108,796					108,796	100	27,423			81,373
10	436,063					436,063	30	32,974			403,089
8	100,389					100,389	20	5,061			95,328
8	5,816	27,375			13,688	19,503	20	983			32,208
8	22,026					22,026	20	1,110			20,916
13	18,537					18,537	20	948			17,589
2	384,380					384,380	6	5,813			378,567
2	320,912					320,912	6	4,853			316,059
2	3,680,232					3,680,232	6	55,657			3,624,575
2	385,932					385,932	6	5,837			380,095
2	207,428					207,428	6	3,137			204,291
Totals	28,330,622	1,286,730			643,367	28,973,985		389,757			29,227,595

S8Supp

Reconciliation of NBV and UCC

NBV of capital assets, beginning of year	26,828,843	
Less: Land	345,471	
NBV of depreciable capital assets, beginning of year	26,483,372	26,483,372
UCC beginning of year		28,330,622
Timing difference, beginning of year		(1,847,250) A
CCA and amortization		
CCA claimed	+ 389,757	
Terminal loss	+	
Recapture	-	
Amortization per financial statements	- 543,134	
Class 10.1		
Difference on purchase (cost _____ less ceiling _____)	+	
Beginning UCC less CCA in year of disposal	+	
NBV of class 10.1 asset prior to sale (proceeds, if financial statement gain)	-	
Gains and losses		
Gain on disposal of capital assets per financial statements	+	
Capital loss portion of total loss	+	
Loss on disposal of capital assets per financial statements	-	
Capital gain portion of total gain	-	
Other		
Operating leases capitalized for financial statement purposes		
Deductible items capitalized for financial statement purposes		
Section 85 difference		
Pre-valuation day depreciation		
Timing difference, current year	(153,377)	+ (153,377) B
Timing difference, end of year (A + B)		(2,000,627) C
Proof		
NBV of capital assets, end of year	27,572,439	
Less: Land	345,471	
NBV of depreciable capital assets, end of year	27,226,968	27,226,968
UCC end of year	29,227,595	
Less: Ending Class 14 balance	-	
Adjusted UCC	= 29,227,595	= 29,227,595
Timing difference as at 2001/12/31 (amount D should equal amount C)		(2,000,627) D

Notes

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION****Schedule 10**

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forwardCumulative eligible capital - balance at beginning of taxation year (if negative, enter nil) **200** _____ **A****Add:**

Cost of eligible capital property acquired during the taxation year	222	283,808	B	
Transfer from predecessor or subsidiary corporation	224		C	
Other adjustments	226		D	
(add amounts B, C, and D)			283,808	x 3/4 =
			212,856	E
Subtotal (amount A plus amount E)			230	212,856 F

Deduct:

Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	242		G	
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H	
Other adjustments	246		I	
(add amounts G, H, and I)				x 3/4 =
			248	J

Cumulative eligible capital balance (amount F minus amount J) **212,856** **K**
 (If amount K is negative, enter "0" at line M and proceed to Part 2)

Current year deduction amount K **212,856** x 7% = **250** **3,756** **L**
 (Deduct amount L on line 405 of Schedule 1)

Cumulative eligible capital balance at the end of the taxation year **300** **209,100** **M**

Note: The maximum current year deduction is 7%. You can claim any amount up to the maximum. If your fiscal period starts after December 21, 2000, and is less than 365 days, prorate the calculation for line 250 by multiplying by the number of days in the year divided by 365.

Part 2 - Amount to be included in income arising from disposition

(complete this part only if line K is negative)

Amount from line K above (show as a positive amount)		N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	400	1
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)	401	2
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	402	3
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	408	4
Line 3 minus line 4	409	5
Total of lines 1, 2, and 5		6
Line T from schedule 10 of previous taxation years ending after February 27, 2000		7
Line 6 minus line 7		O
Line N minus line O (cannot be negative)		P
Amount on line 5 X 1/2		Q
Line P minus line Q		R
Amount on line R X 66.6667 *		S
Lessor of line N or line O		T
Amount to be included in income on line 108 of schedule 1, line S plus line T	410	

* For taxation years ending after February 27, and before October 18, 2000, use the fraction 8/9 to calculate line S

* For taxation years ending after October 17, 2000 use the fraction 2/3 to calculate line S

**AGREEMENT AMONG ASSOCIATED CCPCs
TO ALLOCATE THE BUSINESS LIMIT****Schedule 23**

- 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 "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 cannot 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.

Allocation of the business limit

Date filed (for departmental use only)

025

Enter the calendar year to which the agreement applies

050

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

1 Yes ☒ 2 No

1 Names of associated corporations 100	2 Business Number 200	3 Association code 300	4 Allocation of business limit * 400	5 Year end to which this agreement applies 500
FESTIVAL HYDRO INC.	89957 1814 RC 0001	1	200,000	
FESTIVAL HYDRO SERVICES INC	86295 3726 RC 0001	1		
	RC	0		
TOTALS			\$ 200,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box.

\$ 50,411

Names of all the corporations in the group	Last taxation year ending in the preceding calendar year				Current year
	Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part 1.3 tax for business limit reduction	Grossed-up reduced business limit
FESTIVAL HYDRO INC.			95,342		200,000
FESTIVAL HYDRO SERVICES INC					
TOTALS	\$	\$	\$ 95,342	\$	\$ 200,000

* 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 364.

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 1.3 tax payable (before deduction of the surtax credits) for its last taxation year ending in the preceding calendar year. The amount to be entered at line 415 of the T2 return includes the gross Part 1.3 tax payable for each corporation that has an "associated code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Note: If the taxation year of any of the associated corporations was less than 51 weeks, the amount of gross Part 1.3 tax is the unprorated amount before the application of subsection 181.1(2).

**PART 1.3 TAX ON LARGE CORPORATIONS****Schedule 33**

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part 1.3 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 1.3 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 1.3 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 from the end of the taxation year.

Filing date (for departmental use only)

100

Complete the following areas to determine the amounts needed to calculate Part 1.3 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	1,007,971
Capital stock (or members' contributions if incorporated without share capital)	103	21,331,111
Retained earnings	104	115,830
Contributed surplus	105	
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	128,418
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations	109	13,900,000
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 (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	

Subtotal 36,483,330 36,483,330 A

Deduct the following amount:

Deferred tax debit balance at the end of the year	121	
Any deficit deducted in computing the shareholders' equity	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	124	

Subtotal B

Capital for the year (amount A minus amount B) (if negative, enter "0") 190 36,483,330**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 1.3 TAX ON LARGE CORPORATIONS**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
A bond, debenture, note, mortgage, 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 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 1.3 (other than by reason of paragraph 181.1(3)(d))	406
An interest in a partnership	407
Investment allowance for the year	490

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)	36,483,330	C
Deduct: Investment allowance for the year (line 490)		D
Taxable capital for the taxation year (amount C minus amount D) (if negative, enter "0")	500 36,483,330	

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)	36,483,330	x	Taxable income earned in Canada	610	1,000	=	690	36,483,330
			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

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 the 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

Total amount of carrying value at the end of the 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 in Canada

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

PART I.3 TAX ON LARGE CORPORATIONS**Part 6 - Calculation of gross Part I.3 tax**

Taxable capital employed in Canada for the year (line 690 or 790, whichever applies)		36,483,330	
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	26,483,330	
Gross Part I.3 Tax: Line 811		26,483,330	x .00225 =
		59,587	F
Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:			
Amount F	59,587	X	Number of days in the year (92) =
		365	15,019 G
Gross Part I.3 tax (Amount F or G, whichever applies)	820	15,019	

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 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 1
- b) line 700 plus line 660 from the T2 return 2

Lesser of lines 1 and 2

In any other case, the lesser of lines c and d below:

- c) line 600 from your T2 return x (line 690 / line 500) 3
- d) line 700 plus line 660 from the T2 return 4

Lesser of lines 3 and 4

Current year surtax credit (amount H or I, whichever applies)

830

Part 8 - Calculation of Part I.3 tax credit available for carry-forward

Amount on line 830

Less: Part I.3 tax before deducting surtax credits (line 820)

15,019 J

Net amount

(15,019) K

If 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.**Note:** The portion of amount K carried forward should be entered at line 660 of the T2 return.If 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.

15,019 M

Part 9 - Calculation of current year unused surtax credit

Amount K (if positive)

Less: Part I.3 tax credits claimed (carried forward from taxation years prior to 1992, see amount L above)**Current year unused surtax credit** (enter this amount on Schedule 37)

850

Part 10 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)

15,019 N

Deduct: the following amounts:

Current year surtax credit applied (the lesser of lines 820 and 830)

861

Unused surtax credit from prior years applied

862

Total (cannot exceed amount on line 820)

O

Net Part I.3 tax payable (amount N minus amount O) Enter this amount at line 704 of the T2 return

870 15,019



SHAREHOLDER INFORMATION

Schedule 50

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 100	Business Number * 200	Social Insurance Number * 300	Percentage common shares 400	Percentage preferred shares 500
Corporation of the City of Stratford	RC		100.000	100.000
	RC			

* If the shareholder is a trust, fields 200 and 300 will be blank.



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

BALANCE SHEET INFORMATION**Schedule 100**

Assets	Code	Amount
Cash and deposits	1000	
Cash	1001	6,830,519
Accounts Receivable	1060	4,647,097
Inventories	1120	1,014,135
Other current assets	1480	1,281,776
Taxes recoverable / refundable	1483	20,400
Prepaid expenses	1484	147,258
Land	1600	345,471
Buildings	1680	1,708,711
Accumulated amortization of buildings	1681	(734,638)
Tools and dies	1744	442,181
Accumulated amortization of tools and dies	1745	(348,397)
Radio and communication equipment	1772	85,955
Accumulated amortization of radio and communication equipment	1773	(55,836)
Computer equipment / software	1774	889,548
Accumulated amortization of computer equipment / software	1775	(752,458)
Transportation equipment	1783	2,097,630
Accumulated amortization of transportation equipment	1784	(1,699,224)
Other machinery and equipment	1785	45,559,917
Accumulated amortization of other machinery and equipment	1786	(20,059,290)
Furniture and fixtures	1787	321,555
Accumulated amortization of furniture and fixtures	1788	(246,124)
Leasehold improvements	1918	21,798
Accumulated amortization of leasehold improvements	1919	(4,360)
Goodwill	2012	253,747
Due from / investment in related parties	2240	233,456
Other deferred items / charges	2424	39,822
Total assets	2599	42,040,649

Liabilities	Code	Amount
Bank overdraft	2600	
Amounts payable and accrued liabilities	2620	5,211,636
Wages payable	2624	234,430
Demand notes due to related parties	2861	13,900,000
Current portion of long term liability	2920	65,159
Deposits received	2961	63,259
Due to corporate shareholder(s)	3262	105,253
Other long term liabilities	3320	1,007,971
Total liabilities	3499	20,587,708

Equity	Code	Amount
Common shares	3500	13,537,111
Preferred shares	3520	7,800,000
Retained earnings / deficit	3600	115,830
Total equity	3620	21,452,941
Total liabilities and equity	3640	42,040,649

Retained earnings	Code	Amount
Retained earnings/deficit-start	3660	402,624
Net income / loss	3680	(286,794)
Total retained earnings	3849	115,830

**INCOME STATEMENT INFORMATION****Schedule 125****Details**

Operating name, if different from the corporations' legal name

0001

Description of operation, if filing multiple Schedules 125

0002

Revenue	Code	Amount
Trade sales of goods and services	8000	12,340,979
Total sales of goods and services	8089	12,340,979
Investment revenue	8090	62,380
Other revenue	8230	147,584
Total revenue	8299	12,550,943

Cost of sales	Code	Amount
Opening inventory	8300	
Purchases / cost of materials	8320	11,172,118
Cost of sales	8518	11,172,118
Gross profit / loss (item 8089 - item 8518)	8519	1,168,861

Operating expenses	Code	Amount
Amortization of intangible assets	8570	8,775
Amortization of tangible assets	8670	543,134
Interest and bank charges	8710	260,758
Collection and credit costs	8717	253,987
Government fees	8764	27,675
Repairs and maintenance	8960	226,934
General and administrative expenses	9284	344,356
Total operating expenses	9367	1,665,619
Total expenses	9368	12,837,737
Net non-farming income	9369	(286,794)

Farming revenue	Code	Amount
Grains and oilseeds	9370	
Total farm revenue	9659	

Farming expenses	Code	Amount
Crop expenses	9660	
Total farm expenses	9898	
Net farm income	9899	
Net income / loss before taxes and extraordinary items	9970	(286,794)

Summary

Complete this section if only one Schedule 125 is filed, Schedule 140 is used to summarize the information from multiple Schedules 125.

Extraordinary items	9975-	
Legal settlements	9976-	
Unrealized gains / losses	9980 +	
Unusual items	9985-	
Current income taxes	9990-	
Deferred income tax provision	9995-	
Net income / loss after taxes and extraordinary items	9999=	(286,794)

**NOTES CHECKLIST****Schedule 141****Involvement of accountant****0100** Who reported on/prepared the corporation's financial statements?

1	an independent auditor with a report that expressed no reservation	☒
2	an independent auditor with a report that expressed a reservation	☐
3	an independent accountant with a review engagement report that expressed no reservation	☐
4	an independent accountant with a review engagement report that expressed a reservation	☐
5	an independent accountant who conducted a compilation engagement with no review	☐
6	an independent accountant with a compilation engagement and review engagement resulting in no reservation	☐
7	an independent accountant with a compilation engagement and review engagement resulting in a reservation	☐
8	prepared by an employee/associate/management of the company, or a person on behalf of the company, without the involvement of an independent accountant	☐

Other informationWere any notes to the financial statements prepared? **101** ☒ Yes ☐ No

If yes, complete the following:

Are any values presented at other than cost?	102	☐ Yes	☒ No	☐ NA
Has there been a change in accounting policies since the last return?	103	☐ Yes	☒ No	☐ NA
Are subsequent events mentioned in the notes?	104	☐ Yes	☒ No	☐ NA
Is re-evaluation of asset information mentioned in the notes?	105	☐ Yes	☒ No	☐ NA
Is contingent liability mentioned in the notes?	106	☐ Yes	☒ No	☐ NA
Is information regarding commitments mentioned in the notes?	107	☐ Yes	☒ No	☐ NA
Does the corporation have investments in joint venture(s) or partnerships?	108	☐ Yes	☒ No	☐ NA
If yes, are you filing financial statements of the joint venture(s) or partnership(s)?	109	☐ Yes	☐ No	☒ NA



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

2001
(Revised)

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 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 3-18, together with the applicable schedules on pages 19-22. 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 on pages 23 and 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? (Refer to Guide) Yes ☒ No ☐

Page 1 of 24

COPY

Corporation's legal name and mailing address
FESTIVAL HYDRO INC.

187 ERIE STREET

City
STRATFORD

Province
ON

Country
CA

Postal code
N5A 2M6

Ontario Corporations Tax Account No. (MOF)
1800294

This CT23 Return covers the Taxation Year

Start 2001/10/01

End 2001/12/31

Has address changed since last filed return? Yes ☐ No ☒

Date of change

Registered/Head Office Address
187 ERIE STREET

City
STRATFORD

Province
ON

Country
CA

Postal code
N5A 2M6

Date of Incorporation or Amalgamation

2000/07/11

Ontario Corporation No. (MCBS)

1484983

Location of books and records
187 ERIE STREET

City
STRATFORD

Province
ON

Country
CA

Postal code
N5A 2M6

Canada Customs and Revenue Agency
Business No.

899571814RC0001

Name of person to contact regarding this Return
William Zehr

Telephone no.
(519) 271-4700

Fax no.
(519) 271-7204

Jurisdiction
Incorporated ONTARIO

Address of Principal Office in Ontario (Extra-Provincial Corporations only)

(MCBS)

City Province Country Postal code

If not incorporated in Ontario, indicate date Ontario business activity commenced and ceased:

Commenced

Former Corporation Name
(Extra-Provincial Corporations only)

Not applicable ☐

(MCBS)

Ceased

(Not Applicable) ☒

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)

5

Preferred Language / Langue de préférence

English ☒
anglais

French ☐
français

If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please check ☒ this box. Schedule(s) A and K are not required (MCBS).

☒ No Change

Ministry Use



Certification (MCBS)

I certify that all information set out in the Annual Return is true, correct and complete.

Name of Authorized Person
William Zehr

Title: ☐ Director ☒ Officer ☐ 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.

Taxation Year End

**Exempt From Filing (EFF)
Corporations Tax Return Declaration**

Page 2 of 24

Corporation's Legal Name

Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

The above corporation satisfies **all** of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Criteria for exempt from filing status:

- a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
- b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);
- c) had no Ontario Corporations Tax payable for the taxation year;
- d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the *Income Tax Act*(Canada));
- e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
- f) is NOT subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed \$5 million or whose total revenues exceed \$10 million for the taxation year).

NOTE 1: Filing of this declaration and the Annual Return does NOT constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.

Signature	Title/Relationship to Corporation	Telephone number () -	Date

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

NOTE 2: EFF corporations filing losses to be carried back and applied to prior years or applied to future years, *must file a tax return* completed with all the related schedules for the taxation year of the loss and for the taxation year to which the loss is being applied.

The following 3 items **MUST** be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is **also** being filed, completion of these fields is NOT necessary

1. Corporation's Mailing Address

City	Province	Country	Postal code

2. Ontario Corporation
No. (MCBS)3. Canada Customs and Revenue Agency
Business No. RC

A corporation **must file** an **Exempt From Filing Corporations Tax Return Declaration** form for each taxation year that the corporation is exempt from filing, **within 6 months** after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to **ALL** of the following criteria you are eligible to file the **CT23 Short-Form Corporations Tax Return**. To obtain a copy contact the Revenue Operations and Client Services Branch. (Refer to Guide)

Yes No

☒ ☐

(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year.

Indicate Share Capital with full

voting rights owned by Canadian Residents 100 % (nearest whole percent)☒ ☐

(b) The corporation's taxable income for the taxation year is \$200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (Refer to guide)

☐ ☒

(c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.

☐ ☒(d) The corporation's taxation year ends on or after January 1, 2000 and its gross revenue and total assets are each \$1,000,000 or less and the corporation is not a financial institution; **OR** The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each \$1,500,000 or less and the corporation is not a financial institution.☒ ☐

(e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).

☒ ☐

(f) The corporation's Ontario allocation factor is 100%.

NOTE: Family Farm or Fishing corporations that have a year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax, may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to (a),(b),(c), (e) and (f) above.

CT23 Corporations Tax Return

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Identification continued (for CT23 filers only)

Type of Corporation - Please check (✓) box(es) if applicable in sections 1 & 2

- 1** ☒ **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** ☐ **2** ☐ Other Private
- 3** ☐ **3** ☐ Public
- 4** ☐ **4** ☐ Non-share Capital
- 5** ☐ **5** ☐ Other (specify)
- Share Capital with full voting rights owned by Canadian residents. (nearest %) 100 %

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
ELECTRICAL DISTRIBUTION

- 2** ☐ **1** ☐ Family Farm Corporation s.1(2)
- 2** ☐ **2** ☐ Family Fishing Corporation s.1(2)
- 3** ☐ **3** ☐ Mortgage Investment Corp s.47
- 4** ☐ **4** ☐ Credit Union s.51
- 5** ☐ **5** ☐ Bank Mortgage Subsidiary s.61(4)
- 6** ☐ **6** ☐ Bank s.1(2)
- 7** ☐ **7** ☐ Loan and Trust Corporation s.61(4)
- 8** ☐ **8** ☐ Non-resident Corp s.2(2)(a) or (b)
- 9** ☐ **9** ☐ Non-resident Corporation s.2(2)(c)
- 10** ☐ **10** ☐ Mutual Fund Corporation s.48
- 11** ☐ **11** ☐ Non-resident owned investment Corp s.49
- 12** ☐ **12** ☐ Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14** ☐ **14** ☐ Bare Trustee Corporation
- 15** ☐ **15** ☐ Branch of Non-resident s.63(1)
- 16** ☐ **16** ☐ Financial institutions prescribed by Regulation only
- 17** ☐ **17** ☐ Investment Dealer
- 18** ☐ **18** ☐ Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19** ☒ **19** ☒ Hydro successor, Municipal Electrical Utility or subsidiary of either
- 20** ☐ **20** ☐ Producer and seller of steam for uses other than for the generation of electricity
- 21** ☐ **21** ☐ Insurance Exchange s.74.4
- 22** ☐ **22** ☐ Farm Feeder Finance Co-operative Corporation
- 23** ☐ **23** ☐ Professional Corporation (incorporated professionals only)

Please check (✓) box(es) if applicable:

- ☒ **First Year of Filing**
- ☐ **Final Taxation Year up to Dissolution (wind-up)**
- ☐ **Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario**
- ☒ **Amended Return**
- ☐ **Final Taxation Year before Amalgamation**
- ☐ **Acquisition of Control fed s.249(4)**
- ☐ **Taxation Year End has changed - Canada Customs and Revenue Agency approval required**
- ☐ **Floating Fiscal Year End**
- Date control was acquired:**

Was the corporation inactive throughout the taxation year?	Yes ☐	No ☒
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	Yes ☒	No ☐
Are you requesting a refund due to:	Yes ☐	No ☒
the Carry-back of a Loss?	Yes ☐	No ☒
an Overpayment?	Yes ☐	No ☒
a Specified Refundable Tax Credit?	Yes ☐	No ☒
Are you a Member of a Partnership or a Joint Venture?	Yes ☐	No ☒

Income Tax

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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 ±	(109,322)
Subtract: Charitable donations	1 -	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule)	2 -	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	3 -	
Subtract: Ontario political contributions (Attach schedule)	4 -	
Subtract: Federal Part VI.1 tax	5 -	
Subtract: Prior years' losses applied - Non-capital losses	From 704	
	From 715	
Net capital losses (page 17)	X rate 50.000000 %	714
Farm losses	From 724 -	
Restricted farm losses	From 734 -	
Limited partnership losses	From 754 -	
Taxable income (Non-capital loss)	10 =	(109,322)
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 =	

Taxable Income		Number of days in Taxation Year	
		Days after May 1, 2000 and before Jan 1, 2001	Total days
From 10 (or 20)	X30 100.0000 % X 14.5 % X 24 ÷ 73		92 = 25 +
	Ontario Allocation	Days after Dec 31, 2000 and before Oct 1, 2001	Total days
From 10 (or 20)	X30 100.0000 % X 14.0 % X 26 ÷ 73		92 = 27 +
	Ontario Allocation	Days after Sept 30, 2001 and before Jan 1, 2003	Total days
From 10 (or 20)	X30 100.0000 % X 12.5 % X 28 ÷ 73		92 = 29 +
	Ontario Allocation	Days after Dec 31, 2002 and before Jan 1, 2004	Total days
From 10 (or 20)	X30 100.0000 % X 11.0 % X 31 ÷ 73		92 = 32 +
	Ontario Allocation		
Taxable Income Payable (before deduction of tax credits) 25 + 27 + 29 + 32			40 =

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 year? (✓) ☐ Yes ☒ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	50	
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	51 +	
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 -	
	=	54
Federal Business limit for the year before application of fed.s.125(5.1) (not exceeding \$200,000) (Attach T2 SCH 23 if associated)	55 +	50,411

Add: Ontario enhancement of federal business limit

Number of days in Taxation Year			
Days from 26 above	Total Days	From	
40,000 X	73 92 X	55	50,411 +200,000 42+
Days from 28 above	Total Days	From	
80,000 X	92 ÷ 73 92 X	55	50,411 +200,000 43+ 20,164
Days from 31 above	Total Days	From	
120,000 X	73 92 X	55	50,411 +200,000 46+
Ontario enhancement of federal business limit 42 + 43 + 46		=	20,164

Business Limit for Ontario purposes 55 + 44	44 +	20,164	
	=	70,575	45 70,575

Income eligible for the IDSBC	From 30	100.0000 % X	56	60 =
	*Ontario Allocation		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)).

		Number of Days in Taxation Year			
		Days after Dec 31, 1999 and before Oct 1, 2001	Total Days		
Calculation of IDSBC Rate	7.5% X 76	92	77 +		
	6.5% X 28	92	79 +	6.5000	
	5.5% X 31	92	89 +		
IDSBC Rate for Taxation Year 77 + 79 + 89				78 =	6.5000
Claim	From 60	X From 78	6.5000 %	70	

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 +

If you are a member of an associated group (✓) 81 ☒ (Yes)

Taxable income of associated corporations (Attach schedule)

82 +

Aggregate Taxable Income

85 =

Number of days in Taxation Year

		Days before Jan 1, 2001	Total Days		
Subtract: 200,000 X	558	73	92 =	111 +	
240,000 X	26	73	92 =	112 +	
280,000 X	28	92	73	92 =	113 + 280,000
320,000 X	31	73	92 =	115 +	
				111 + 112 + 113 + 115	= 280,000 ▶
				114 -	280,000
				86 =	

(If negative, enter nil)

Number of Days in Taxation Year

		Days after Dec 31, 1999 and before Oct 1, 2001	Total Days		
Calculation of Specified Rate for Surtax	5.0% X 76	92	93 +		
	4.333% X 28	92	95 +	4.3330	
	3.667% X 31	92	96 +		
Specified rate of surtax for Taxation Year 93 + 95 + 96				94 =	4.3330
From 86	X From 94	4.3330 % =	87 =		
From 87	X From 60	÷ From 114	280,000	88 =	
Surtax: Lesser of 70 or 88				100 =	

Additional Deduction for Credit Unions (s.51(4)) (Attach schedule)

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 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 +

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)

From 56 -

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 + From 30 100.0000 % + From 78 6.5000 % = 121

*Ontario Allocation

Lesser of 56 or 121

122 +

120 - 56 + 122

130 =

Taxable income

From 10 + (109,322)

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)

From 56 -

Add: Adjustments for Surtax on Canadian-controlled private corporations

From 122 +

Subtract: Taxable income 10 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 =

Number of Days in Taxation Year

Days before Oct 1, 2001

Total Days

Claim 143 X From 30 100.0000 % 2.0% X 152 ÷ 73 92 = 153 +
*Ontario Allocation

Days after Sept 30, 2001

and before Jan 1, 2003

Total Days

Claim 143 X From 30 100.0000 % 1.5% X 28 92 ÷ 73 92 = 154 +
*Ontario Allocation

Days after Dec 31, 2002

and before Jan 1, 2004

Total Days

Claim 143 X From 30 100.0000 % 1.0% X 31 92 ÷ 73 92 = 155 +
*Ontario Allocation

M&P claim for taxation year 153 + 154 + 155

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 =

Note: The M&P for corporations that generate electrical energy for sale, or produce steam for use in the generation of electrical energy for sale, or produce steam for uses other than the generation of electricity, has not yet received legislative authority at the time of printing. (Refer to Guide.)

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 =

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 =

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 +

Co-operative Education Tax Credit (CETC) (s.43.4) *Applies* to employment of eligible students.Eligible credit from **5798** Summary Schedule F

192 +

Ontario Film and 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 Corp.

(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

193 +

Graduate Transitions Tax Credit (GTTC) (s.43.6)*Applies* to employment of eligible unemployed graduate students.No. of Graduates from **6596**Eligible Credit from **6598** Summary Schedule G

194

195 +

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 +

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 Corp.

(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

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 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 +

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 +

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)*Applies* to qualifying expenditures in respect to eligible Canadian sound recordings.Eligible Credit from **7500** OSRTC Claim Form (Attach *only* the original Claim Form. Retain the Certification Form)

201 +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201

220 =

Specified Tax Credits Applied to reduce Income Tax

225 =

Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss

230 =

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)

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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 +	42,040,649	
* Total Revenue of the corporation			241 + 12,550,943

If you are a member of an associated group (✓) **242** ☒ (Yes)

Total Assets of associated corporations (Attach schedule)	243 +	1,327,299	
Total Revenue of associated corporations (Attach schedule)			244 + 84,737
Aggregate Total Assets	249 =	43,367,948	
Aggregate Total Revenue			250 = 12,635,680

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	X	From 30	100.0000 % X 4%	276 =
	If negative, enter zero		Ontario Allocation	
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)				277
Subtract: Income Tax			From 190 -	
Net CMT Payable (if negative, enter Nil on page 18.)				280 =

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	

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)		From 190 +
Gross CMT payable	From 276 +	
Subtract: Foreign Tax Credit for CMT purposes	From 277 -	
If 276 - 277 is negative, enter NIL in 290	=	290 -
Income Tax eligible for CMT Credit		300 =
B. Income Tax (after deduction of specified credits)		From 230 +
Subtract: CMT credit used to reduce income taxes		310 =
Income Tax		320 =

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 +	21,337,111
Retained earnings (if deficit, deduct)	351 ±	115,830
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	352 +	
Loans and advances (Attach schedule)	353 +	
Bank loans	354 +	
Bankers acceptances	355 +	
Bonds and debentures payable	356 +	13,900,000
Mortgages payable	357 +	
Lien notes payable	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 corporation tax)	359 +	1,007,971
Contingent, investment, inventory and similar reserves	360 +	
Other reserves not allowed as deductions for income tax purposes (Attach schedule)	361 +	128,418
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s))	362 +	
Subtotal	370 =	36,489,330
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.)	371 -	
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	372 -	
Total Paid-up Capital	380 =	36,489,330
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	381 -	
Net Paid-up Capital	390 =	36,489,330

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)

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)

Mortgages due from other corporations

Shares in other corporations (certain restrictions apply) (Refer to Guide)

Loans and advances to unrelated corporations

Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)

Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)

Total Eligible Investments

400 +	
402 +	
403 +	
404 +	
405 +	
406 +	233,456
407 +	
410 =	233,456

Total Assets

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Total Assets per balance sheet	420 +	42,040,649
Mortgages or other liabilities deducted from assets	421 +	
Share of partnership(s)/joint venture(s) total assets (<i>Attach schedule</i>)	422 +	
Subtract: Investment in partnership(s)/joint venture(s)	423 -	
Total Assets as adjusted	430 =	42,040,649
Amounts in 360 and 361 (if deducted from assets)	440 +	
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 =	42,040,649

Investment Allowance (410 + 450) X 390	Not to exceed 410	460 =	202,629
Taxable Capital 390 - 460		470 =	36,286,701

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)			
Gross Revenue of the corporation		12,550,943	
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue (<i>Attach schedule</i>)			
Aggregate of Gross Revenue		12,550,943	480 = 12,550,943
Total Assets (as adjusted)		From 430	42,040,649

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2001) 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 on pages 10 to 11 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 on page 12. Next review, and if applicable, complete Section D on page 12. If Section D is not applicable review Section E on page 13 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 ends 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 of the 2001 CT23 are both \$3,000,000 or less, enter NIL in 550 on page 13 of the 2001 CT23 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.

B5. If taxable capital, 470 on page 10, exceeds \$2,000,000 but is \$5,000,000 or less, complete the following calculations and transfer the total from 508 to 543 on page 13 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(a) From 470 _____ x 0.3% = 490 + _____

Deduct:

From 470 _____
 (\$2,800,000 - _____) x 0.75% = 493 - _____ (NIL if negative)

Days in taxation year
 after Dec 31, 1999
 and before Jan 1, 2001

(506 = 490 - 493) 506 = _____ x From 30 _____ % x 553 _____ = 507 + _____
 Ontario Allocation **365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(b) From 470 _____ x 0.3% = 490 + _____

Deduct:

From 470 _____
 (\$3,200,000 - _____) x 0.5% = 495 - _____ (NIL if negative)

Days in taxation year
 after Dec 31, 2000
 and before Oct 1, 2001

(509 = 490 - 495) 509 = _____ x From 30 _____ % x 558 _____ = 522 + _____
 Ontario Allocation **365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(c) Capital Tax for that portion of a taxation year 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 507 + 522

508 =

Transfer to 543 on Page 13 and complete the return from that point.

B6. If taxable capital, 470 on page 10 exceeds \$5,000,000, complete the following calculation and transfer the amount from 508 to 543 on page 13 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 _____ x From 30 _____ x 0.3% x 559 _____ = 502 + _____
 Days in taxation year before October 1, 2001
 Ontario Allocation **365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) + From 470 _____
 - 5,000,000
 = 471 _____ x From 30 _____ x 0.3% x 560 _____ = 523 + _____
 Days in taxation year after September 30, 2001
 Ontario Allocation **365/366

Total Capital Tax for the taxation year 502 + 523

508 =

Transfer to 543 and complete the return from that point.

** If floating taxation year, refer to Guide

SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following, and (✓) 510 ☒ (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation From 470 + 36,286,701

Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations (Attach schedule) 531 + 1,291,548

Aggregate Taxable Capital 470 + 531 540 = 37,578,249

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(c) 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 36,286,701 + From 540 37,578,249 X 5,000,000 541 = 4,828,152
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

Taxable Capital of associated corporations (Attach schedule) 514 +

Total Aggregate Taxable Capital 540 + 514 520 = 37,578,249

If 520 above 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 + From 520 521 =
Transfer to section E1(a) and/or (b) as applicable
Note: 521 cannot exceed 1.00000

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 is \$2,000,000 or less.

Enter NIL in 550 on page 13 and complete the return from that point.

SECTION E

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 on page 12, exceeds \$2,000,000.

E1. If 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 December 31, 1999 and before January 1, 2001

(a) From 470	x 0.3%	= 490 +	
Deduct:			
From 520	From 521		
(\$2,800,000 -) x 0.75% x	(506 = 490 - 493)	506 =	
	x 30	% x	553 = 507 +
	Ontario Allocation	**365/366	

Days in taxation year
after Dec 31, 1999
and before Jan 1, 2001

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(b) From 470	x 0.3%	= 490 +	
Deduct:			
From 520	From 521		
(\$3,200,000 -) x 0.5% x	(509 = 490 - 495)	509 =	
	x 30	% x	557 = 522 +
	Ontario Allocation	**365/366	

Days in taxation year
after Dec 31, 2000
and before Oct 1, 2001

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(c) 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.

Total Capital Tax for the taxation year 507 + 522 + 523 = 508 =

Transfer to 543 and complete the return from that point

E2. If the aggregate taxable capital 520 on page 12, exceeds \$3,200,000 complete the following calculation and transfer the amount from 508 to 543 on this page, 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	36,286,701 x	From 30	100:0000	x 0.3% x	555	= 502 +
		Ontario Allocation			365/366	

Days in taxation year
before Oct. 1, 2001

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) + From 470	36,286,701					
- From 541	4,828,152					
471	31,458,549 x	From 30	100:0000	x 0.3% x	560	= 523 + 23,788
		Ontario Allocation			365/366	

Days in taxation year
after September 30, 2001 =

Total Capital Tax for the taxation year 502 + 523 = 508 = 23,788

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 = 23,788

Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)

546 =

Capital Tax: 543 - 546

550 = 23,788

Transfer to Page 18

Calculation of Capital Tax for Financial Institutions

Page 14 of 24

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 x 0.6% x From 30 100.0000 % x 555 92 ÷ **365/366 = 569 +
 Lesser of adjusted TPUC
 and Basic Capital Amount
 in accordance with
 Division B.1
 Ontario Allocation

570 x 571 x From 30 100.0000 % x 555 92 ÷ **365/366 = 574 +
 Adjusted TPUC Capital Tax Rate
 in accordance with (Refer to Guide)
 Division B.1 in excess
 of Basic Capital Amount
 Ontario Allocation

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574**575 =** **** If floating taxation year, refer to Guide****II. Small Business Investment Tax Credit**

(Retain details of eligible investment calculations 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)? (✓) ☐ Yes**Capital Tax - Financial Institutions 575 - 585****586 =**

Transfer to 543 on Page 13

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 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± (109,322)

Transfer to Page 16

Add:

Federal capital cost allowance	601+	389,757
Federal cumulative eligible capital deduction	602+	3,756
Ontario taxable capital gain	603+	
Federal non-allowable reserves. Balance beginning of year	604+	986,589
Federal allowable reserves. Balance end of year	605+	
Ontario non-allowable reserves. Balance end of year	606+	1,007,971
Ontario allowable reserves. Balance beginning of year	607+	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608+	
Federal resource allowance	609+	
Federal depletion allowance	610+	
Federal foreign exploration and development expenses	611+	
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

Number of days in Taxation Year

Days after
May 1, 2000 and
before Jan 1, 2001

612 X 5/14.5 X 24 + 73 92 = + 631

Days after Dec 31, 2000
and before Oct. 1, 2001

612 X 5/14.0 X 26 + 73 92 = + 632

Days after Sept. 30, 2001
and before Jan. 1, 2003

612 X 5/12.5 X 28 92 + 73 92 = + 633

Days after Dec. 31, 2002
and before Jan. 1, 2004

612 X 5/11.0 X 31 + 73 92 = + 634

Total add-back amount for Management fees, etc. 631 + 632 + 633 + 634 =

▶ 613+

Federal Scientific Research Expenses claimed in year from fed form T661

615+

Federal allowable business investment loss

620+

Total of other items not allowed by Ontario but allowed federally (Attach schedule)

614+

Sub Total of Additions 601 to 615 + 620

= 2,388,073 640 2,388,073

Transfer to Page 16

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

From 600 ± (109,322)

Sub Total of Additions

From 640 = 2,388,073

Deduct:

Ontario capital cost allowance	650+	389,757
Ontario cumulative eligible capital deduction	651+	3,756
Federal taxable capital gain	652+	
Ontario non-allowable reserves. Balance beginning of year	653+	986,589
Ontario allowable reserves. Balance end of year	654+	
Federal non-allowable reserves. Balance end of year	655+	1,007,971
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	659+	
Ontario research and development super allowance (Attach schedule)	660+	
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+	
Ontario current cost adjustment (Attach schedule)	661+	
Ontario Scientific Research Expenses claimed in year from Ont form CT161	679+	

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:

From Gross-up of CCA

662 x 100/ 30 100.0000 - From 662 663 =

Ontario allocation

Workplace Child Care Tax Incentive: (Applies to qualifying expenditures incurred after May 5, 1998)

Qualifying expenditures 665 x 30% x 100/ 30 100.0000 666 =

Ontario Allocation

Workplace Accessibility Tax Incentive: (Applies to qualifying expenditures incurred after July 1, 1998)

Qualifying expenditures: 667 x 100% x 100/ 30 100.0000 668 =

Ontario Allocation

Number of Employees accommodated 669**Ontario School Bus Safety Tax Incentive (OSBSTI): (Applies to the eligible acquisition of school buses made within the 3 year period commencing after May 4, 1999.) (Refer to Guide)**

Qualifying expenditures 670 x 30% x 100/ 30 100.0000 671 =

Ontario Allocation

Educational Technology Tax Incentive (Applies to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures 672 x 15% x 100/ 30 100.0000 673 =

Ontario Allocation

Ontario allowable business investment loss 678 +

Total of other deductions allowed by Ontario (Attach schedule) 664 +

Sub Total of Deductions 650 to 660 + 674 + 661 + 679 + 663 + 666 + 668 + 671 + 673 + 678 + 664 = 2,388,073 680 2,388,073

Net income (loss) for Ontario purposes 600 + 640 - 680

690 = (109,322)

Transfer to Page 4

Continuity of Losses Carried Forward

Page 17 of 24

	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)	710 (2)	720 (2)	730	740	750
Add:	701	711	721	731	741	751
Current year's losses (7)	109,322					
Losses from predecessor corporations (3)	702	712	722	732		752
	703	713	723	733	743	753
Subtotal	109,322					
Subtract:	704	715 (4)	724	734 (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	705		725	735	745	
Expired during the year						
Carried back to prior years to reduce income (5)	706 (2) To Pg 18	716 (2) To Pg 18	726 (2) To Pg 18	736 (2) To Pg 18	746	
	707	717	727	737	747	757
Subtotal						
Balance at End of Year	709	719	729	739	749	759
	109,322					

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) Include 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 amounts 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) 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)	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				850	870
801				851	871
802				852	872
803	820	830	840	853	873
804	821	831	841	854	874
805	822	832	842	855	875
806	823	833	843	856	876
807 2000/09/30	824	834	844	857	877
808 2001/09/30	825	835	845	858	878
809 2001/12/31	826 109,322	836	846	859	879
Total	829 109,322	839	849	869	889

Request for Loss Carry-Back (s.80(16))

Page 18 of 24

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 carryback adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Minister 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:
 - the first day of the taxation year after the loss year,
 - the day on which the corporation's return for the loss year is delivered to the Minister, or
 - 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	910 109,322	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
Predecessor Corporation's Account No. (MOF)	Taxation Year Ending			
i) 3rd preceding 901	911	921	931	941
ii) 2nd preceding 902 2000/09/30	912	922	932	942
iii) 1st preceding 903 2001/09/30	913	923	933	943
Total loss to be carried back	From 706	From 716	From 726	From 736
Balance of loss available for carryforward	919 109,322	929	939	949

Summary

Income Tax	From 230 or 320 +	
Corporate Minimum Tax	From 280 +	
Capital Tax	From 550 +	23,788
Premium Tax	From 590 +	
Total Tax Payable	950 =	23,788
Subtract:		
Payments	960 =	22,452
Capital Gains Refund (s.48)	965 =	
Qualifying Environmental Trust		
Tax Credit (Refer to Guide)	985 =	
Specified Tax Credits (Refer to Guide)	955 =	
Balance	970 =	1,336
If payment due	Enclosed * 990 =	
If overpayment: Refund	975 =	
Apply to	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 the 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
William Zehr

Title
PRESIDENT

Full Residence Address
187 ERIE STREET

City
STRATFORD

Province ON	Country CA	Postal Code N5A 2M6
Signature		Date 2004/09/07

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Corporate Minimum Tax - Schedule A:
Calculation of CMT Base

CT23 Schedule A

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**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± (286,794)

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes	2101+
Provision for deferred income taxes (credits)	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+
Federal Part VI.1 tax on dividends declared and paid after May 5, 1997, under fed.s.191.1(1) x 9/4 =	2108+

Subtotal = 2109-

Add (to extent reflected in net income/loss):

Provision for current taxes	2110+
Provision for deferred income taxes (debits)	2111+
Equity losses from corporations	2112+
Share of partnership(s)/joint venture(s) losses	2113+
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+

Subtotal = 2115+

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	2116+	or	2117-
** Fed.s.85.1	2118+	or	2119-
** Fed.s.97	2120+	or	2121-
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	2122+	or	2123-
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	2124+	or	2125-
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4) and 44 for current/prior years	2126+	or	2127-

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) = 2128+

Subtotal (Subtractions) = 2129-

** Other adjustments 2130±

Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130 2131= (286,794)

** Share of partnership(s)/joint venture(s) adjusted net income/loss (Attach schedule) 2132±

Adjusted net income (loss) (if loss, transfer to 2202 in Schedule B) 2133= (286,794)

Deduct: CMT losses: pre-1994 Loss * From 2210+

CMT losses: other eligible losses * 2211+

= 2134-

* CMT losses applied cannot exceed adjusted net income or increase a loss

** Retain calculations. Do not submit with this tax return.

CMT Base

2135=

Transfer to CMT Base on page 8

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 1: Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/09/30							
2001/09/30							
2001/12/31					109,322		109,322
Totals					109,322		109,322

Current year non-capital loss

Net income (loss) for Ontario tax purposes		(109,322)
Deduct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
	Subtotal - if positive, enter "0"	(109,322)
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		(109,322)

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year		
Losses expired after 7 years	-	
Non-capital losses - beginning balance	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year non-capital loss from above	109,322	
Deduct - Non-capital loss carry back to:		
1st preceding taxation year against taxable income		
2nd preceding taxation year against taxable income		
3rd preceding taxation year against taxable income		
Current year non-capital loss net of carryback	109,322	+ 109,322
	Subtotal	= 109,322
Deduct:		
Amount applied against taxable income (enter on line 704 of the CT23)		
Section 80 adjustments		
Other adjustments		
Non-capital losses - ending balance		= 109,322

Ontario non-capital loss continuity

Farm loss continuity by year

Tax loss continuity by year							
Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/09/30							
2001/09/30							
2001/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year		
Losses expired after 10 years	-	
Farm losses - beginning balance	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year farm loss		
Deduct - Farm loss carry back to:		
1st preceding taxation year against taxable income		
2nd preceding taxation year against taxable income		
3rd preceding taxation year against taxable income		
	Subtotal	
Current year farm loss net of carry-back		+
	Subtotal	=
Deduct:		
Amount applied against taxable income (enter on line 724 of the CT23)		
Section 80 adjustments		
Other adjustments		
		-
Farm losses - ending balance		=

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 3 - Restricted farm loss

Restricted farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/09/30							
2001/09/30							
2001/12/31							
Totals							

Current year restricted farm loss

Net loss from farming business

Deductible farm loss:

Net loss from above

\$2,500 plus 1/2 (A - \$2,500)

Maximum deduction

A

B

C

2,500

8,750

Deductible farm loss (lesser of A, B, and C)

Current year restricted farm loss

Restricted farm loss continuity and carry-back request

Restricted farm losses at end of preceding taxation year

Losses expired after 10 years

Restricted farm losses - beginning balance

Transfers from wind-up of wholly-owned subsidiary and amalgamation

Current year restricted farm loss

Deduct - Restricted farm loss carry back to:

1st preceding taxation year against farming income

2nd preceding taxation year against farming income

3rd preceding taxation year against farming income

Current year restricted farm loss net of carry-back

Deduct:

Amount applied against taxable income (enter on line 734 of the CT23)

Section 80 adjustments

Other adjustments

Restricted farm losses - ending balance

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name FESTIVAL HYDRO INC.		Ontario Corporations Tax Account No. (MOF) 1800294		Taxation Year End 2001/12/31

s the corporation electing under regulation 1101(5c)? 101 1 Yes ☐ 2 No ☐

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	3,332,486	89,519			3,422,005	44,760	3,377,245	4			34,050	3,387,955
1	3,401,473	127,262			3,528,735	63,631	3,465,104	4			34,936	3,493,799
1	2,455,133	319,429			2,774,562	159,715	2,614,847	4			26,363	2,748,199
1	3,280,259	304,569			3,584,828	152,285	3,432,543	4			34,608	3,550,220
1	4,783,506	298,744			5,082,250	149,372	4,932,878	4			49,734	5,032,516
1	1,918,799	61,822			1,980,621	30,911	1,949,710	4			19,657	1,960,964
2	1,023,025				1,023,025		1,023,025	6			15,472	1,007,553
1	982,556				982,556		982,556	4			9,906	972,650
1	526,377				526,377		526,377	4			5,307	521,070
1	852,491	29,336			881,827	14,668	867,159	4			8,743	873,084
3	56,280	27,432			83,712	13,716	69,996	20			3,529	80,183
10	47,726	1,242			48,968	621	48,347	30			3,656	45,312
12	108,796				108,796		108,796	100			27,423	81,373
10	436,063				436,063		436,063	30			32,974	403,089
3	100,389				100,389		100,389	20			5,061	95,328
3	5,816	27,375			33,191	13,688	19,503	20			983	32,208
3	22,026				22,026		22,026	20			1,110	20,916
13	18,537				18,537		18,537				948	17,589
2	384,380				384,380		384,380	6			5,813	378,567
2	320,912				320,912		320,912	6			4,853	316,059
2	3,680,232				3,680,232		3,680,232	6			55,657	3,624,575
2	385,932				385,932		385,932	6			5,837	380,095
2	207,428				207,428		207,428	6			3,137	204,291
Totals	28,330,622	1,286,730				643,367	28,973,985				389,757	29,227,595

Enter in box 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.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
FESTIVAL HYDRO INC.	1800294	2001/12/31

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.

Corporation's Legal Name FESTIVAL HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2001/12/31

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at beginning of taxation year (if negative, enter zero) _____ A

Add: Cost of eligible capital property acquired during the taxation year + 283,808 B
Amount transferred on amalgamation or wind-up of subsidiary + C
Other adjustments + D

Total of B + C + D = 283,808 x 3/4 = 212,856 E

Subtotal A + E = 212,856 F

Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year + G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada) + H
Other adjustments + I

Total of G + H + I = x 3/4 = J

Ontario cumulative eligible capital balance F - J = 212,856 K

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction 212,856 K x 7%* = 3,756 L

*The maximum current year deduction is 7%. However, you can claim any amount up to the maximum. Enter amount in box 651 of the CT23

Ontario cumulative eligible capital - closing balance K - L (if negative, enter zero) = 209,100 M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition

Complete this part only if the amount at line K is negative

Amount from line K above show as a positive amount _____ N

Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 _____ 1

Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7) _____ 2

Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 _____ 3

Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 _____ 4

Line 3 deduct line 4 _____ 5

Total lines 1 + 2 + 5 _____ 6

Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 _____ 7

Deduct line 7 from line 6 _____

N - O (cannot be negative) _____ O

Amount on line 5 x 1/2 _____ P

P - Q _____ Q

Amount on line R x 66.6667 _____ R

Lesser of line N or line O _____ S

Amount to be included in income S + T _____ T

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

**Ministry of Finance**

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

**Ontario Continuity of Reserves
Schedule 13**

Corporation's Legal Name FESTIVAL HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2001/12/31

For use by corporations 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	Ontario balance at the end of the year
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	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 and transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
EMPLOYEE FUTURE BENEFITS	986,589				1,007,971
Totals	986,589				1,007,971

Enter in box **653**
of the CT23

Enter in box **606**
of the CT23

Details of Associated Ontario Corporations

Names of associated corporations (Canadian and foreign)	Permanent establishment in Canada?	Ontario Account Number	Taxation Year End
FESTIVAL HYDRO SERVICES INC	Yes	1800087	2001/12/31

Names of associated corporations	Surtax on CCPCs	Corporate Minimum Tax		Capital Tax
	Taxable income	Total Assets	Total Revenue	Taxable Capital
FESTIVAL HYDRO SERVICES INC		1,327,299	84,737	1,291,548
Totals	0	1,327,299	84,737	1,291,548

**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 FESTIVAL HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2001/12/31

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
FESTIVAL HYDRO SERVICES INC	1800087	2001/12/31	1,291,548
Aggregate of taxable capital			1,291,548

Transfer to **540** of the CT23



Ontario

Ministry of Finance

Corporations Tax Branch

PO Box 620

33 King Street West

Oshawa ON L1H 8E9

Paid-Up Capital: Other Reserves

Corporation's Legal Name FESTIVAL HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2001/12/31

Description of Reserves NOT ALLOWED as a Deduction for Income Tax	Balance Beginning of the Year	Add	Deduct	Transfer on Amalgamation or Wind-up of Subsidiary	Balance at the End of the Year
CUSTOMER DEPOSITS	135,266		6,848		128,418
Total					128,418

Transfer to 361 on the CT23

**Ontario****Ministry of Finance**

Corporations Tax Branch

PO Box 620

33 King Street West

Oshawa ON L1H 8E9

Corporate Minimum Tax - Associated Corporation

Corporation's Legal Name FESTIVAL HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2001/12/31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
FESTIVAL HYDRO SERVICES INC	1800087	2001/12/31	1,327,299	84,737
Totals			1,327,299	84,737

*Transfer to 249
of the CT23**Transfer to 250
of the CT23*



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

Account No.
1800294

35
PX5005

FESTIVAL HYDRO INC.
WILLIAM ZEHR
187 ERIE ST
PO BOX 397
STRATFORD
N5A 2M6

ON

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD) 2 0 0 1 1 2 3 1

Payment Amount: \$

Total Payment Enclosed: \$



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 2001/10/01 to 2001/12/31

Account No.	Reassessment Date (year, month, day)	Page
1800294	2005/05/16	1 of 3

FESTIVAL HYDRO INC.

REASSESSMENT NO. 79 REPLACING REASSESSMENT DATED: 2003/07/22

Tax: Federal and Provincial PIL
Assessment Interest
Total Reassessment Liability

41,385.00
129.83CR
41,255.17

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers
Refunds

38,908.92CR
244.07

38,664.85CR
2,590.32

Sub-Total
TAXATION YEAR BALANCE DUE **

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.

Adjustment to the computation of Total Tax payable.

Mathematical error in computation of Net Paid-up Capital.

Adjustment to the computation of Total Eligible Investments for
Investment Allowance.

Adjustment to the computation of Investment Allowance. Taxable Capital revised

Mathematical error in computation of Taxable Paid-up Capital.

**Remember to include additional interest due with your payment. Interest on
the balance is compounded daily from the date of this Notice/Statement until
payment is received by the Ontario Electricity Financial Corporation (OEFEC)
The current interest rate is 0.0191780%.

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
• Toronto (416) 920-9048 ext. 3036
• Toll-Free 1-800-262-0784 ext. 3036
• FAX (905) 433-5197

Festvial Hydro Inc.
Reconciliation of 2001 PILs
as at April 30, 2006

Interest Calculation	Outstanding Balance	Interest Income	Outstanding Principal	Check	Total Recovered
Oct-01 New PILS in month	123,654.00		123,654.00		
Interest @ 7.25	0.00	0.00			
Oct Closing Balance	<u>123,654.00</u>	<u>0.00</u>	<u>123,654.00</u>	<u>123,654.00</u>	
Nov-01 Opening Balance	123,654.00		123,654.00		
New PILS in month	123,654.00		123,654.00		
Interest @ 7.25	761.40	761.40			
Oct Closing Balance	<u>248,069.40</u>	<u>761.40</u>	<u>247,308.00</u>	<u>248,069.40</u>	
Dec-01 Opening Balance	248,069.40	761.40	247,308.00		
New PILS in month	123,654.00		123,654.00		
Interest @ 7.25	1,522.81	1,522.81			
Oct Closing Balance	<u>373,246.21</u>	<u>2,284.21</u>	<u>370,962.00</u>	<u>373,246.21</u>	
Jan-02 Opening Balance	373,246.21	2,284.21	370,962.00		
Interest @ 7.25	2,284.21	2,284.21	0.00		
Jan Closing Balance	<u>375,530.42</u>	<u>4,568.42</u>	<u>370,962.00</u>	<u>375,530.42</u>	
Feb-02 Opening Balance	375,530.42		370,962.00		
Interest @ 7.25	2,063.16	2,063.16	0.00		
Jan Closing Balance	<u>377,593.58</u>	<u>6,631.58</u>	<u>370,962.00</u>	<u>377,593.58</u>	
Mar-02 Opening Balance	377,593.58		370,962.00		
Recovered in March	(7,843.30)		(7,843.30)		7,843.30
March Revised balance	369,750.28		363,118.70		
Interest @ 7.25	2,284.21	2,284.21	0.00		
March Closing balance	<u>372,034.49</u>	<u>8,915.79</u>	<u>363,118.70</u>	<u>372,034.49</u>	<u>7,843.30</u>
Apr-02 April Opening balance	372,034.49		363,118.70		
Recovered in April	(30,938.40)		(30,938.40)		30,938.40
March Revised balance	341,096.09		332,180.30		
Interest @ 7.25	2,163.79	2,163.79	0.00		
April Closing balance	<u>343,259.88</u>	<u>11,079.58</u>	<u>332,180.30</u>	<u>343,259.88</u>	<u>38,781.70</u>
May-02 May Opening balance	343,259.88		332,180.30		
Recovered in May	(24,847.79)		(24,847.79)		24,847.79
May Revised balance	318,412.09		307,332.51		
Interest @ 7.25	2,045.41	2,045.41	0.00		
May Closing balance	<u>320,457.50</u>	<u>13,124.99</u>	<u>307,332.51</u>	<u>320,457.50</u>	<u>63,629.49</u>
Jun-02 Jun Opening balance	320,457.50		307,332.51		
Recovered in Jun	(24,612.94)		(24,612.94)		24,612.94
Jun Revised balance	295,844.57		282,719.58		
Interest @ 7.25	1,831.36	1,831.36	0.00		
Jun Closing balance	<u>297,675.93</u>	<u>14,956.36</u>	<u>282,719.58</u>	<u>297,675.93</u>	<u>88,242.42</u>
Jul-02 Jul Opening balance	297,675.93		282,719.58		
Recovered in July	(29,836.44)		(29,836.44)		29,836.44
Jul Revised balance	267,839.50		252,883.14		
Interest @ 7.25	1,684.70	1,684.70	0.00		
Jul Closing balance	<u>269,524.19</u>	<u>16,641.06</u>	<u>252,883.14</u>	<u>269,524.19</u>	<u>118,078.86</u>
Aug-02 Aug Opening balance	269,524.19	16,641.06	252,883.14		
Recovered in Aug	(32,283.99)		(32,283.99)		32,283.99
Aug Revised balance	237,240.20		220,599.15		
Interest @ 7.25	1,557.14	1,557.14			
Aug Closing balance	<u>238,797.34</u>	<u>18,198.19</u>	<u>220,599.15</u>	<u>238,797.34</u>	<u>150,362.85</u>
Sep-02 Sep Opening balance	238,797.34	18,198.19	220,599.15		
Recovered in Sep	(32,067.29)		(32,067.29)		32,067.29
Sep Revised balance	<u>206,730.05</u>		<u>188,531.86</u>		

Interest @ 7.25	1,314.53	1,314.53			
Sep Closing balance	<u>208,044.58</u>	<u>19,512.72</u>	<u>188,531.86</u>	<u>208,044.58</u>	<u>182,430.14</u>
Oct-02 Oct Opening balance	208,044.58	19,512.72	188,531.86		
Recovered in Oct	<u>(30,123.95)</u>		<u>(30,123.95)</u>		30,123.95
Oct Revised balance	177,920.64		158,407.91		
Interest @ 7.25	1,160.89	1,160.89			
Oct Closing balance	<u>179,081.53</u>	<u>20,673.61</u>	<u>158,407.91</u>	<u>179,081.53</u>	<u>212,554.09</u>
Nov-02 Nov Opening balance	179,081.53	20,673.61	158,407.91		
Recovered in Nov	<u>(30,442.88)</u>		<u>(30,442.88)</u>		30,442.88
Oct Revised balance	148,638.64		127,965.03		
Interest @ 7.25	943.94	943.94			
Nov Closing balance	<u>149,582.58</u>	<u>21,617.55</u>	<u>127,965.03</u>	<u>149,582.58</u>	<u>242,996.97</u>
Dec-02 Dec Opening balance	149,582.58	21,617.55	127,965.03		
Recovered in Dec	<u>(31,465.36)</u>		<u>(31,465.36)</u>		31,465.36
	0.00		0.00		0.00
Dec Revised balance	118,117.22		96,499.66		
Interest Adjustment	<u>(2,067.18)</u>	<u>(2,067.18)</u>			
Interest @ 7.25	787.95	787.95			
Dec Closing balance	<u>116,837.98</u>	<u>20,338.32</u>	<u>96,499.66</u>	<u>116,837.98</u>	<u>274,462.34</u>
			Proof	New Pils	370,962.00
			Agrees to G.L.	Add Interest	20,338.32
				Less Recovery	<u>(274,462.34)</u>
			Agrees to G.L.	Balance	<u>116,837.98</u>
Jan-03 Jan Opening balance	116,837.98	20,338.32	96,499.66	116,837.98	274,462.34
Adjust for 1 month of new PIL	30,913.50		30,913.50		
Recovered in Jan 03	<u>(33,027.21)</u>		<u>(33,027.21)</u>		33,027.21
Jan Revised balance	114,724.28		94,385.95		
Interest @ 7.25	594.20	594.20			
Jan Closing balance	<u>115,318.48</u>	<u>20,932.52</u>	<u>94,385.95</u>	<u>115,318.48</u>	<u>307,489.55</u>
	YTD	594.20			
Feb-03 Feb Opening balance	115,318.48	20,932.52	94,385.95	115,318.48	307,489.55
Adjust for 1 month of new PIL	30,913.50		30,913.50		
Recovered in Feb 03	<u>(33,638.86)</u>		<u>(33,638.86)</u>		33,638.86
Feb Revised balance	112,593.12		91,660.60		
Interest @ 7.25	524.94	524.94			
Feb Closing balance	<u>113,118.06</u>	<u>21,457.46</u>	<u>91,660.60</u>	<u>113,118.06</u>	<u>341,128.40</u>
	YTD	1,119.14			
Mar-03 Feb Opening balance	113,118.06	21,457.46	91,660.60	113,118.06	341,128.40
Adjust for 1 months of new PIL	30,913.50		30,913.50		
Recovered in Feb 03	<u>(32,530.87)</u>		<u>(32,530.87)</u>		32,530.87
Feb Revised balance	111,500.68		90,043.22		
Interest @ 7.25	564.40	564.40			
Mar Closing balance	<u>112,065.09</u>	<u>22,021.87</u>	<u>90,043.22</u>	<u>112,065.09</u>	<u>373,659.28</u>
	YTD	1,683.54			
Apr-03 Mar Opening balance	112,065.09	22,021.87	90,043.22	112,065.09	373,659.28
Adjust for 1 month of new PIL	30,913.50		30,913.50		
Recovered in Apr 03	<u>(31,083.15)</u>		<u>(31,083.15)</u>		31,083.15
Revised balance	111,895.44		89,873.57		
Interest @ 7.25	536.56	536.56			
Apr Closing balance	<u>112,432.00</u>	<u>22,558.42</u>	<u>89,873.57</u>	<u>112,432.00</u>	<u>404,742.43</u>
	YTD	2,220.10			
May-03 May Opening balance	112,432.00	22,558.42	89,873.57	112,432.00	404,742.43
Adjust for 1 month of new PIL	30,913.50		30,913.50		
Recovered in May 03	<u>(30,319.41)</u>		<u>(30,319.41)</u>		30,319.41
Revised balance	113,026.09		90,467.66		
Interest @ 7.25	553.40	553.40			
May Closing balance	<u>113,579.49</u>	<u>23,111.82</u>	<u>90,467.66</u>	<u>113,579.49</u>	<u>435,061.84</u>

		YTD	2,773.50			
Jun-03	Jun Opening balance	113,579.49	23,111.82	90,467.66	113,579.49	435,061.84
	Adjust for 1 month of new PIL	30,913.50		30,913.50		
	Recovered in Jun 03	<u>(29,265.24)</u>		<u>(29,265.24)</u>		29,265.24
	Revised balance	115,227.75		92,115.92		
	Interest @ 7.25	557.06	557.06			
		0.00	0.00			
	Jun Closing balance	<u>115,784.81</u>	<u>23,668.88</u>	<u>92,115.92</u>	<u>115,784.81</u>	<u>464,327.08</u>
		YTD	3,330.56			
Jul-03	Opening balance	115,784.81	23,668.88	92,115.92	115,784.81	464,327.08
	Adjust for 1 month of new PIL	30,913.50		30,913.50		
	Recovered in Jul 03	<u>(29,863.52)</u>		<u>(29,863.52)</u>		29,863.52
	Revised balance	116,834.79		93,165.91		
	Interest @ 7.25	567.21	567.21			
	Closing balance	<u>117,402.00</u>	<u>24,236.09</u>	<u>93,165.91</u>	<u>117,402.00</u>	<u>494,190.59</u>
		YTD	3,897.77			
Aug-03	Opening balance	117,402.00	24,236.09	93,165.91	117,402.00	494,190.59
	Adjust for 1 month of new PIL	30,913.50		30,913.50		
	Recovered in Aug 03	<u>(31,215.25)</u>		<u>(31,215.25)</u>		31,215.25
	Revised balance	117,100.25		92,864.16		
	Interest @ 7.25	573.67	573.67			
	Closing balance	<u>117,673.92</u>	<u>24,809.76</u>	<u>92,864.16</u>	<u>117,673.92</u>	<u>525,405.84</u>
		YTD	4,471.44			
Sep-03	Opening balance	117,673.92	24,809.76	92,864.16	117,673.92	525,405.84
	Adjust for 1 month of new PIL	30,913.50		30,913.50		
	Recovered in Sep 03	<u>(30,779.91)</u>		<u>(30,779.91)</u>		30,779.91
	Revised balance	117,807.51		92,997.75		
	Interest @ 7.25	553.37	553.37			
	Closing balance	<u>118,360.88</u>	<u>25,363.13</u>	<u>92,997.75</u>	<u>118,360.88</u>	<u>556,185.75</u>
		YTD	5,024.81			
Oct-03	Opening balance	118,360.88	25,363.13	92,997.75	118,360.88	556,185.75
	Adjust for 1 month of new PIL	30,913.50		30,913.50		
	Recovered in OCT 03	<u>(29,387.78)</u>		<u>(29,387.78)</u>		29,387.78
	Revised balance	119,886.60		94,523.47		
	Interest @ 7.25	572.64	572.64			
	Closing balance	<u>120,459.24</u>	<u>25,935.77</u>	<u>94,523.47</u>	<u>120,459.24</u>	<u>585,573.53</u>
		YTD	5,597.45			
Nov-03	Opening balance	120,459.24	25,935.77	94,523.47	120,459.24	585,573.53
	Adjust for 1 month of new PIL	30,913.50		30,913.50		
	Recovered in Nov 03	<u>(30,022.21)</u>		<u>(30,022.21)</u>		30,022.21
	Revised balance	121,350.53		95,414.76		
	Interest @ 7.25	563.26	563.26			
	Closing balance	<u>121,913.78</u>	<u>26,499.02</u>	<u>95,414.76</u>	<u>121,913.78</u>	<u>615,595.74</u>
		YTD	6,160.70			
Dec-03	Opening balance	121,913.78	26,499.02	95,414.76	121,913.78	615,595.74
	Adjust for 1 month of new PIL	30,913.50		30,913.50		
	Recovered in Dec 03	<u>(30,410.34)</u>		<u>(30,410.34)</u>		30,410.34
	Revised balance	122,416.95		95,917.92		
	Interest @ 7.25	587.52	587.52			
	Closing balance	<u>123,004.47</u>	<u>27,086.54</u>	<u>95,917.92</u>	<u>123,004.47</u>	<u>646,006.08</u>
		YTD	6,748.22			

Int @ 7.25 Int @ 2.65 Allow # 1138
6,748.22 2,466.59 4,281.63

Proof:

To Date	YTD	for the Qtr
Beg Balance	0	116,837.98
PIL additions	741,924.00	370,962.00
Add interest	27,086.54	6,748.22
Less recoveries	(646,006.08)	(371,543.74)
Balance at Dec 31/03	<u>123,004.47</u>	<u>123,004.47</u>

Jan/04	Opening balance	123,004.47	27,086.54	95,917.92	123,004.47	646,006.08
	Adjust for 1 month of new PIL	0.00		0.00		

Recovered in Jan 04	(32,861.66)		(32,861.66)		32,861.66
Revised balance	90,142.81		63,056.27		
Interest @ 7.25	590.62	590.62			
Closing balance	90,733.43	27,677.16	63,056.27	90,733.43	678,867.73
	YTD	590.62			
Feb-04 Opening balance	90,733.43	27,677.16	63,056.27	90,733.43	678,867.73
Adjust for 1 month of new PIL	0.00		0.00		
Recovered in Feb 04	(33,602.68)		(33,602.68)		33,602.68
Revised balance	57,130.75		29,453.59		
Interest @ 7.25	363.22	363.22			
Closing balance	57,493.97	28,040.38	29,453.59	57,493.97	712,470.41
	YTD	953.84			
Mar-04 Opening balance	57,493.97	28,040.38	29,453.59	57,493.97	712,470.41
Adjust for 1 month of new PIL	0.00		0.00		
Recovered in Mar04	(55,439.78)		(55,439.78)		55,439.78
Revised balance	2,054.19		(25,986.19)		
Interest @ 7.25	181.36	181.36			
Closing balance	2,235.55	28,221.74	(25,986.19)	2,235.55	767,910.19
(Last month for recovery - incudes unbilled revenue)	YTD	1,135.20			
Apr-04 Opening balance	2,235.55	28,221.74	(25,986.19)	2,235.55	767,910.19
Interest @ 7.25	(154.85)	(154.85)			
Closing balance	2,080.70	28,066.89	(25,986.19)	2,080.70	767,910.19
	YTD	980.35			
May-04 Opening balance	2,080.70	28,066.89	(25,986.19)	2,080.70	767,910.19
Interest @ 7.25	(160.01)	(160.01)			
Closing balance	1,920.69	27,906.88	(25,986.19)	1,920.69	767,910.19
	YTD	820.34			
Jun-04 Opening balance	1,920.69	27,906.88	(25,986.19)	1,920.69	767,910.19
Interest @ 7.25	(154.85)	(154.85)			
Closing balance	1,765.84	27,752.03	(25,986.19)	1,765.84	767,910.19
	YTD	665.49			
Jul-04 Opening balance	1,765.84	27,752.03	(25,986.19)	1,765.84	767,910.19
Interest @ 7.25	(160.01)	(160.01)			
Closing balance	1,605.83	27,592.02	(25,986.19)	1,605.83	767,910.19
	YTD	505.48			
Aug-04 Opening balance	1,605.83	27,592.02	(25,986.19)	1,605.83	767,910.19
Interest @ 7.25	(160.01)	(160.01)			
Closing balance	1,445.82	27,432.01	(25,986.19)	1,445.82	767,910.19
	YTD	345.47			
Sep-04 Opening balance	1,445.82	27,432.01	(25,986.19)	1,445.82	767,910.19
Interest @ 7.25	(154.85)	(154.85)			
Closing balance	1,290.97	27,277.16	(25,986.19)	1,290.97	767,910.19
	YTD	190.62			
Oct-04 Opening balance	1,290.97	27,277.16	(25,986.19)	1,290.97	767,910.19
Interest @ 7.25	(160.01)	(160.01)			
Closing balance	1,130.96	27,117.15	(25,986.19)	1,130.96	767,910.19
	YTD	30.61			
Nov-04 Opening balance	1,130.96	27,117.15	(25,986.19)	1,130.96	767,910.19
Interest @ 7.25	(154.85)	(154.85)			
Closing balance	976.11	26,962.30	(25,986.19)	976.11	767,910.19
	YTD	(124.24)			
Dec-04 Opening balance	976.11	26,962.30	(25,986.19)	976.11	767,910.19
Interest @ 7.25	(160.01)	(160.01)			
Closing balance	816.10	26,802.29	(25,986.19)	816.10	767,910.19
	YTD	(284.25)			
Beg Balance			123,004.47		

	PIL additions		0		
	Add interest		(284.25)		
	Less recoveries		<u>(121,904.12)</u>		
	Balance at Dec 31/04		<u>816.10</u>		
Jan-05 Opening balance	816.10	26,802.29	(25,986.19)	816.10	767,910.19
Interest @ 7.25	<u>(160.01)</u>	<u>(160.01)</u>			
Closing balance	<u>656.09</u>	<u>26,642.28</u>	<u>(25,986.19)</u>	<u>656.09</u>	<u>767,910.19</u>
	YTD	(160.01)			
Feb-05 Opening balance	656.09	26,642.28	(25,986.19)	656.09	767,910.19
Interest @ 7.25	<u>(144.53)</u>	<u>(144.53)</u>			
Closing balance	<u>511.56</u>	<u>26,497.75</u>	<u>(25,986.19)</u>	<u>511.56</u>	<u>767,910.19</u>
	YTD	(304.54)			
Mar-05 Opening balance	511.56	26,497.75	(25,986.19)	511.56	767,910.19
Interest @ 7.25	<u>(160.01)</u>	<u>(160.01)</u>			
Closing balance	<u>351.55</u>	<u>26,337.74</u>	<u>(25,986.19)</u>	<u>351.55</u>	<u>767,910.19</u>
	YTD	(464.55)			
Apr-05 Opening balance	351.55	26,337.74	(25,986.19)	351.55	767,910.19
Interest @ 7.25	<u>(154.85)</u>	<u>(154.85)</u>			
Closing balance	<u>196.70</u>	<u>26,182.89</u>	<u>(25,986.19)</u>	<u>196.70</u>	<u>767,910.19</u>
	YTD	(619.40)			
May-05 Opening balance	196.70	26,182.89	(25,986.19)	196.70	767,910.19
Interest @ 7.25	<u>(160.01)</u>	<u>(160.01)</u>			
Closing balance	<u>36.69</u>	<u>26,022.88</u>	<u>(25,986.19)</u>	<u>36.69</u>	<u>767,910.19</u>
	YTD	(779.41)			
Jun-05 Opening balance	36.69	26,022.88	(25,986.19)	36.69	767,910.19
Interest @ 7.25	<u>(154.85)</u>	<u>(154.85)</u>			
Closing balance	<u>(118.16)</u>	<u>25,868.03</u>	<u>(25,986.19)</u>	<u>(118.16)</u>	<u>767,910.19</u>
	YTD	(934.26)			
Jul-05 Opening balance	(118.16)	25,868.03	(25,986.19)	(118.16)	767,910.19
Interest @ 7.25	<u>(160.01)</u>	<u>(160.01)</u>			
Closing balance	<u>(278.17)</u>	<u>25,708.02</u>	<u>(25,986.19)</u>	<u>(278.17)</u>	<u>767,910.19</u>
	YTD	(1,094.27)			
Aug-05 Opening balance	(278.17)	25,708.02	(25,986.19)	(278.17)	767,910.19
Interest @ 7.25	<u>(160.01)</u>	<u>(160.01)</u>			
Closing balance	<u>(438.18)</u>	<u>25,548.01</u>	<u>(25,986.19)</u>	<u>(438.18)</u>	<u>767,910.19</u>
	YTD	(1,254.28)			
Sep-05 Opening balance	(438.18)	25,548.01	(25,986.19)	(438.18)	767,910.19
Interest @ 7.25	<u>(154.85)</u>	<u>(154.85)</u>			
Closing balance	<u>(593.03)</u>	<u>25,393.16</u>	<u>(25,986.19)</u>	<u>(593.03)</u>	<u>767,910.19</u>
	YTD	(1,409.13)			
Oct-05 Opening balance	(593.03)	25,393.16	(25,986.19)	(593.03)	767,910.19
Interest @ 7.25	<u>(160.01)</u>	<u>(160.01)</u>			
Closing balance	<u>(753.04)</u>	<u>25,233.15</u>	<u>(25,986.19)</u>	<u>(753.04)</u>	<u>767,910.19</u>
	YTD	(1,569.14)			
Nov-05 Opening balance	(753.04)	25,233.15	(25,986.19)	(753.04)	767,910.19
Interest @ 7.25	<u>(154.85)</u>	<u>(154.85)</u>			
Closing balance	<u>(907.89)</u>	<u>25,078.30</u>	<u>(25,986.19)</u>	<u>(907.89)</u>	<u>767,910.19</u>
	YTD	(1,723.99)			
Dec-05 Opening balance	(907.89)	25,078.30	(25,986.19)	(907.89)	767,910.19
Interest @ 7.25	<u>(160.01)</u>	<u>(160.01)</u>			
Closing balance	<u>(1,067.90)</u>	<u>24,918.29</u>	<u>(25,986.19)</u>	<u>(1,067.90)</u>	<u>767,910.19</u>
	YTD	(1,884.00)			
Jan-06 Opening balance	(1,067.90)	24,918.29	(25,986.19)	(1,067.90)	767,910.19
Interest @ 7.25	<u>(160.01)</u>	<u>(160.01)</u>			

Closing balance	<u>(1,227.91)</u>	<u>24,758.28</u>	<u>(25,986.19)</u>	<u>(1,227.91)</u>	<u>767,910.19</u>
	YTD	(160.01)			
Feb-06 Opening balance	(1,227.91)	24,758.28	(25,986.19)	(1,227.91)	767,910.19
Interest @ 7.25	<u>(144.53)</u>	<u>(144.53)</u>			
Closing balance	<u>(1,372.44)</u>	<u>24,613.76</u>	<u>(25,986.19)</u>	<u>(1,372.44)</u>	<u>767,910.19</u>
	YTD	(304.54)			
Mar-06 Opening balance	(1,372.44)	24,613.76	(25,986.19)	(1,372.44)	767,910.19
Interest @ 7.25	<u>(160.01)</u>	<u>(160.01)</u>			
Closing balance	<u>(1,532.45)</u>	<u>24,453.74</u>	<u>(25,986.19)</u>	<u>(1,532.45)</u>	<u>767,910.19</u>
	YTD	(464.55)			
Apr-06 Opening balance	(1,532.45)	24,453.74	(25,986.19)	(1,532.45)	767,910.19
Interest @ 7.25	<u>(154.85)</u>	<u>(154.85)</u>			
Closing balance	<u>(1,687.30)</u>	<u>24,298.90</u>	<u>(25,986.19)</u>	<u>(1,687.30)</u>	<u>767,910.19</u>
	YTD	(619.40)			

Total Summary from March 2002 to April 30, 2006:

	<u>2012 IRM Application</u>	<u>Originally filed</u>
New Pils	741,924.00	741,924.00
Recoveries	(767,910.19)	(767,680.19)
Interest	24,298.90	18,657.52
Final Bal	<u>(1,687.30)</u>	<u>(7,098.67)</u>
Change	5,411.37	

<u>Year</u>	<u>Beginning</u>	<u>New PILS</u>	<u>Interst</u>	<u>Recoveries</u>	<u>Ending</u>	
<u>2001</u>		370,962.00	<u>0</u>		370,962.00	Int in 2002
2002	370,962.00	0.00	20,338.32	(274,462.34)	116,837.98	
2003	116,837.98	370,962.00	6,748.22	(371,543.74)	123,004.46	
2004	123,004.46	0.00	(284.25)	(121,904.11)	816.10	
2005	816.10	0.00	(1,884.00)	0.00	(1,067.90)	
2006	(1,067.90)	0.00	(619.40)	0.00	(1,687.30)	
		<u>741,924.00</u>	<u>24,298.89</u>	<u>(767,910.19)</u>	<u>(1,687.30)</u>	

2001

2001& 2002

Festival Hydro Inc.
2001 PIL Recovery
Period: Mar 2004 including unbilled revenue

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		20,277,143.25	0.00070	#####	12,810.65	27,015.14
	Residential Seaforth		1,535,341.50	0.00088	1,350.89	74.22	1,425.12
AA3	Residential Hensall		724,305.75	0.00002	13.15	260.54	273.69
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		10,840,817.75	0.00046	4,954.42	4,712.13	9,666.55
GEN	General Service < 50 kWh		134,078.00	0.00046	61.28	0.00	61.28
CCC	General Service < 50 kWh		72,660.00	0.00046	33.42	0.00	33.42
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	23,608.11		0.07855	1,854.53	4,170.45	6,024.98
FF1	General Service > 50 kWh	27,447.07		0.07855	2,156.10		2,156.10
FF2	General Service > 50 kWh	68,504.49		0.07855	5,381.35		5,381.35
ZFF/F1	Retailer billed	3,571.16		0.07855	280.53		280.53
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	11,644.34		0.03036	353.52	871.52	1,225.04
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	5,184.11		0.14927	773.83	366.59	1,140.42
REL	TOU - On		0.00				
REL	TOU	594.30		0.21259	126.34	303.87	430.22
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	1,534.68		0.05826	89.41	210.14	299.55
SLR	Sentinel Lighting *****	0.00	24,493.96	0.14627	0.00	26.40	26.40
	Totals	142,088.26	33,608,840.21		#####	23,806.52	55,439.78

Festival Hydro Inc.
2001 PIL Recovery
Period: Feb 2004

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		13,784,001.00	0.00070	9,655.93	7,320.37	16,976.30
	Residential Seaforth		871,642.00	0.00088	766.93	42.41	809.34
AA3	Residential Hensall		492,880.00	0.00002	8.95	148.88	157.83
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		6,939,038.00	0.00046	3,171.24	2,692.65	5,863.89
GEN	General Service < 50 kWh		76,616.00	0.00046	35.01	0.00	35.01
CCC	General Service < 50 kWh		56,802.00	0.00046	26.13	0.00	26.13
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,780.68		0.07855	1,082.54	2,383.12	3,465.65
FF1	General Service > 50 kWh	16,237.86		0.07855	1,275.56		1,275.56
FF2	General Service > 50 kWh	38,684.42		0.07855	3,038.84		3,038.84
ZFF/F1	Retailer billed	2,136.92		0.07855	167.87		167.87
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,715.69		0.03036	203.89	498.01	701.90
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,848.47		0.14927	425.19	209.48	634.67
REL	TOU - On		0.00				
REL	TOU	422.40		0.21259	89.80	173.64	263.44
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	876.70		0.05826	51.08	120.08	171.16
SLR	Sentinel Lighting *****	0.00	13,996.55	0.14627	0.00	15.09	15.09
	Totals	81,703.14	22,234,975.55		#####	13,603.73	33,602.68

Festival Hydro Inc.
2001 PIL Recovery
Period: Jan 2004

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		13,312,917.00	0.00070	9,325.93	7,320.37	16,646.30
	Residential Seaforth		692,713.00	0.00088	609.49	42.41	651.91
AA3	Residential Hensall		374,334.00	0.00002	6.80	148.88	155.68
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		6,347,294.00	0.00046	2,900.81	2,692.65	5,593.46
GEN	General Service < 50 kWh		76,616.00	0.00046	35.01	0.00	35.01
CCC	General Service < 50 kWh		51,487.00	0.00046	23.68	0.00	23.68
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,343.28		0.07855	1,048.18	2,383.12	3,431.29
FF1	General Service > 50 kWh	16,779.99		0.07855	1,318.15		1,318.15
FF2	General Service > 50 kWh	38,600.52		0.07855	3,032.25		3,032.25
ZFF/F1	Retailer billed	2,220.20		0.07855	174.41		174.41
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,674.27		0.03036	202.63	498.01	700.64
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,932.16		0.14927	437.68	209.48	647.16
REL	TOU - On		0.00				
REL	TOU	432.00		0.21259	91.84	173.64	265.48
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	876.57		0.05826	51.07	120.08	171.15
SLR	Sentinel Lighting *****	0.00	13,996.55	0.14627	0.00	15.09	15.09
	Totals	81,858.99	20,869,357.55		#####	13,603.73	32,861.66

Festival Hydro Inc.
2001 PIL Recovery
Period: Dec 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		129,016,496.01	0.00070	90,378.30	7,320.37	97,698.67
	Residential Seaforth		8,081,980.00	0.00088	7,111.05	42.41	7,153.46
AA3	Residential Hensall		4,148,735.00	0.00002	75.33	148.88	224.21
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		70,922,127.00	0.00046	32,412.47	2,692.65	35,105.12
GEN	General Service < 50 kWh		1,267,647.00	0.00046	579.33	0.00	579.33
ZCC	General Service < 50 kWh		376,701.00	0.00046	173.28	0.00	173.28
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	165,388.18		0.07855	12,992.02	2,383.12	15,375.13
FF1	General Service > 50 kWh	202,542.20		0.07855	15,910.64		15,910.64
FF2	General Service > 50 kWh	456,842.84		0.07855	35,887.15		35,887.15
ZFF/F1	Retailer billed	25,921.28		0.07855	2,036.24		2,036.24
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	84,524.73		0.03036	2,566.15	498.01	3,064.16
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	38,536.13		0.14927	5,752.28	209.48	5,961.76
REL	TOU - On		0.00				
REL	TOU	8,524.26		0.21259	1,812.19	173.64	1,985.84
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	10,514.82		0.05826	612.59	120.08	732.67
SLR	Sentinel Lighting *****	0.00	266,443.02	0.14627	0.00	15.09	15.09
	Totals	992,794.44	214,080,129.03		#####	13,603.73	221,902.75

Festival Hydro Inc.
2001 PIL Recovery
Period: Dec 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		10,264,809.01	0.00070	7,190.68	7,320.37	14,511.05
	Residential Seaforth		713,895.00	0.00088	628.13	42.41	670.54
AA3	Residential Hensall		348,503.00	0.00002	6.33	148.88	155.21
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		5,525,007.00	0.00046	2,525.01	2,692.65	5,217.66
GEN	General Service < 50 kWh		34,851.00	0.00046	15.93	0.00	15.93
CCC	General Service < 50 kWh		40,452.00	0.00046	18.61	0.00	18.61
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,647.10		0.07855	1,072.04	2,383.12	3,455.16
FF1	General Service > 50 kWh	17,314.11		0.07855	1,360.10		1,360.10
FF2	General Service > 50 kWh	38,594.88		0.07855	3,031.81		3,031.81
ZFF/F1	Retailer billed	2,246.94		0.07855	176.51		176.51
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,731.28		0.03036	204.36	498.01	702.37
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,956.80		0.14927	441.36	209.48	650.84
REL	TOU - On		0.00				
REL	TOU	398.29		0.21259	84.67	173.64	258.32
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	876.57		0.05826	51.07	120.08	171.15
SLR	Sentinel Lighting *****	0.00	264,048.53	0.14627	0.00	15.09	15.09
	Totals	82,765.97	17,191,565.54		#####	13,603.73	30,410.34

Festival Hydro Inc.
2001 PIL Recovery
Period: Nov 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		9,993,817.00	0.00070	7,000.84	7,320.37	14,321.21
	Residential Seaforth		565,278.00	0.00088	497.37	42.41	539.78
AA3	Residential Hensall		293,856.00	0.00002	5.34	148.88	154.22
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		5,326,494.00	0.00046	2,434.29	2,692.65	5,126.94
GEN	General Service < 50 kWh		78,416.00	0.00046	35.84	0.00	35.84
CCC	General Service < 50 kWh		40,557.00	0.00046	18.66	0.00	18.66
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,582.80		0.07855	1,066.99	2,383.12	3,450.11
FF1	General Service > 50 kWh	16,526.37		0.07855	1,298.22		1,298.22
FF2	General Service > 50 kWh	39,236.34		0.07855	3,082.20		3,082.20
ZFF/F1	Retailer billed	2,313.95		0.07855	181.77		181.77
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,154.86		0.03036	217.22	498.01	715.23
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,995.20		0.14927	447.09	209.48	656.57
REL	TOU - On		0.00				
REL	TOU	384.00		0.21259	81.64	173.64	255.28
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	875.79		0.05826	51.02	120.08	171.10
SLR	Sentinel Lighting *****	0.00	103.00	0.14627	0.00	15.09	15.09
	Totals	83,069.31	16,298,521.00		#####	13,603.73	30,022.21

Festival Hydro Inc.
2001 PIL Recovery
Period: Oct 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		8,997,275.00	0.00070	6,302.75	7,320.37	13,623.12
	Residential Seaforth		585,422.00	0.00088	515.09	42.41	557.51
AA3	Residential Hensall		264,519.00	0.00002	4.80	148.88	153.68
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		5,326,009.00	0.00046	2,434.07	2,692.65	5,126.71
GEN	General Service < 50 kWh		78,650.00	0.00046	35.94	0.00	35.94
CCC	General Service < 50 kWh		40,222.00	0.00046	18.50	0.00	18.50
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,715.97		0.07855	1,077.45	2,383.12	3,460.57
FF1	General Service > 50 kWh	16,513.70		0.07855	1,297.23		1,297.23
FF2	General Service > 50 kWh	39,556.03		0.07855	3,107.31		3,107.31
ZFF/F1	Retailer billed	2,509.82		0.07855	197.16		197.16
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,277.45		0.03036	220.94	498.01	718.95
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,976.00		0.14927	444.23	209.48	653.71
REL	TOU - On		0.00				
REL	TOU	364.80		0.21259	77.55	173.64	251.20
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	875.79		0.05826	51.02	120.08	171.10
SLR	Sentinel Lighting *****	0.00	103.00	0.14627	0.00	15.09	15.09
	Totals	83,789.56	15,292,200.00		#####	13,603.73	29,387.78

Festival Hydro Inc.
2001 PIL Recovery
Period: Sep 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable Amount	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Recovered		
AA1	Residential		10,351,631.00	0.00070	7,251.50	7,320.37	14,571.87
	Residential Seaforth		598,747.00	0.00088	526.82	42.41	569.23
AA3	Residential Hensall		343,656.00	0.00002	6.24	148.88	155.12
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		5,895,765.00	0.00046	2,694.45	2,692.65	5,387.10
GEN	General Service < 50 kWh		120,415.00	0.00046	55.03	0.00	55.03
CCC	General Service < 50 kWh		40,202.00	0.00046	18.49	0.00	18.49
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,937.85		0.07855	1,094.88	2,383.12	3,478.00
FF1	General Service > 50 kWh	16,596.82		0.07855	1,303.76		1,303.76
FF2	General Service > 50 kWh	39,115.71		0.07855	3,072.72		3,072.72
ZFF/F1	Retailer billed	2,528.76		0.07855	198.65		198.65
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,465.46		0.03036	226.65	498.01	724.66
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,976.00		0.14927	444.23	209.48	653.71
REL	TOU - On		0.00				
REL	TOU	1,090.32		0.21259	231.79	173.64	405.44
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	874.91		0.05826	50.97	120.08	171.05
SLR	Sentinel Lighting *****	0.00	103.00	0.14627	0.00	15.09	15.09
	Totals	84,585.83	17,350,519.00		#####	13,603.73	30,779.91

Festival Hydro Inc.
2001 PIL Recovery
Period: Aug 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		10,925,046.00	0.00070	7,653.18	7,320.37	14,973.55
	Residential Seaforth		641,595.00	0.00088	564.52	42.41	606.93
AA3	Residential Hensall		340,593.00	0.00002	6.18	148.88	155.06
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		6,061,453.00	0.00046	2,770.17	2,692.65	5,462.82
GEN	General Service < 50 kWh		120,415.00	0.00046	55.03	0.00	55.03
CCC	General Service < 50 kWh		43,911.00	0.00046	20.20	0.00	20.20
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,304.54		0.07855	1,045.13	2,383.12	3,428.25
FF1	General Service > 50 kWh	16,580.34		0.07855	1,302.46		1,302.46
FF2	General Service > 50 kWh	39,127.64		0.07855	3,073.66		3,073.66
ZFF/F1	Retailer billed	2,612.71		0.07855	205.24		205.24
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,237.83		0.03036	219.74	498.01	717.75
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,129.60		0.14927	467.15	209.48	676.63
REL	TOU - On		0.00				
REL	TOU	836.65		0.21259	177.87	173.64	351.51
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	874.91		0.05826	50.97	120.08	171.05
SLR	Sentinel Lighting *****	0.00	293.00	0.14627	0.00	15.09	15.09
	Totals	83,704.22	18,133,306.00		#####	13,603.73	31,215.25

Festival Hydro Inc.
2001 PIL Recovery
Period: Jul 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		9,762,053.00	0.00070	6,838.49	7,320.37	14,158.86
	Residential Seaforth		547,391.00	0.00088	481.63	42.41	524.04
AA3	Residential Hensall		279,476.00	0.00002	5.07	148.88	153.95
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		5,367,501.00	0.00046	2,453.03	2,692.65	5,145.68
GEN	General Service < 50 kWh		120,300.00	0.00046	54.98	0.00	54.98
CCC	General Service < 50 kWh		43,834.00	0.00046	20.16	0.00	20.16
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	12,897.64		0.07855	1,013.17	2,383.12	3,396.29
FF1	General Service > 50 kWh	15,840.68		0.07855	1,244.36		1,244.36
FF2	General Service > 50 kWh	38,569.89		0.07855	3,029.85		3,029.85
ZFF/F1	Retailer billed	2,568.70		0.07855	201.78		201.78
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,053.72		0.03036	214.15	498.01	712.16
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,225.60		0.14927	481.48	209.48	690.96
REL	TOU - On		0.00				
REL	TOU	802.77		0.21259	170.66	173.64	344.31
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	874.91		0.05826	50.97	120.08	171.05
SLR	Sentinel Lighting *****	0.00	293.00	0.14627	0.00	15.09	15.09
	Totals	81,833.91	16,120,848.00		#####	13,603.73	29,863.52

Festival Hydro Inc.
2001 PIL Recovery
Period: June 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		8,985,724.00	0.00070	6,294.66	7,320.37	13,615.03
	Residential Seaforth		562,276.00	0.00088	494.73	42.41	537.14
AA3	Residential Hensall		264,228.00	0.00002	4.80	148.88	153.68
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		5,187,073.00	0.00046	2,370.57	2,692.65	5,063.22
GEN	General Service < 50 kWh		120,300.00	0.00046	54.98	0.00	54.98
CCC	General Service < 50 kWh		27,391.00	0.00046	12.60	0.00	12.60
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,116.08		0.07855	1,030.33	2,383.12	3,413.45
FF1	General Service > 50 kWh	15,781.46		0.07855	1,239.71		1,239.71
FF2	General Service > 50 kWh	38,699.73		0.07855	3,040.05		3,040.05
ZFF/F1	Retailer billed	1,959.52		0.07855	153.93		153.93
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,051.72		0.03036	214.09	498.01	712.10
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,240.95		0.14927	483.78	209.48	693.25
REL	TOU - On		0.00				
REL	TOU	1,017.60		0.21259	216.33	173.64	389.98
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	874.91		0.05826	50.97	120.08	171.05
SLR	Sentinel Lighting *****	0.00	293.00	0.14627	0.00	15.09	15.09
	Totals	81,741.97	15,147,285.00		#####	13,603.73	29,265.24

Festival Hydro Inc.
2001 PIL Recovery
Period: May 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		9,837,223.00	0.00070	6,891.15	7,320.37	14,211.52
	Residential Seaforth		643,344.00	0.00088	566.06	42.41	608.47
AA3	Residential Hensall		336,565.00	0.00002	6.11	148.88	154.99
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		5,715,279.00	0.00046	2,611.97	2,692.65	5,304.62
GEN	General Service < 50 kWh		120,300.00	0.00046	54.98	0.00	54.98
ZCC	General Service < 50 kWh		28,772.00	0.00046	13.24	0.00	13.24
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	14,036.36		0.07855	1,102.62	2,383.12	3,485.74
FF1	General Service > 50 kWh	17,152.31		0.07855	1,347.39		1,347.39
FF2	General Service > 50 kWh	38,223.78		0.07855	3,002.66		3,002.66
ZFF/F1	Retailer billed	1,976.64		0.07855	155.27		155.27
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,134.86		0.03036	216.61	498.01	714.62
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,313.53		0.14927	494.61	209.48	704.09
REL	TOU - On		0.00				
REL	TOU	950.40		0.21259	202.05	173.64	375.69
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	874.91		0.05826	50.97	120.08	171.05
SLR	Sentinel Lighting *****	0.00	258.53	0.14627	0.00	15.09	15.09
	Totals	83,662.79	16,681,741.53		#####	13,603.73	30,319.41

Festival Hydro Inc.
2001 PIL Recovery
Period: April 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		10,869,356.00	0.00070	7,614.17	7,320.37	14,934.54
	Residential Seaforth		765,192.00	0.00088	673.27	42.41	715.68
AA3	Residential Hensall		384,670.00	0.00002	6.98	148.88	155.86
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		6,141,188.00	0.00046	2,806.61	2,692.65	5,499.26
GEN	General Service < 50 kWh		118,500.00	0.00046	54.16	0.00	54.16
CCC	General Service < 50 kWh		18,400.00	0.00046	8.46	0.00	8.46
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	14,069.14		0.07855	1,105.20	2,383.12	3,488.31
FF1	General Service > 50 kWh	16,895.13		0.07855	1,327.19		1,327.19
FF2	General Service > 50 kWh	36,977.99		0.07855	2,904.79		2,904.79
ZFF/F1	Retailer billed	1,856.91		0.07855	145.87		145.87
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,859.21		0.03036	208.24	498.01	706.25
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,281.43		0.14927	489.82	209.48	699.30
REL	TOU - On		0.00				
REL	TOU	393.60		0.21259	83.68	173.64	257.32
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	874.91		0.05826	50.97	120.08	171.05
SLR	Sentinel Lighting *****	0.00	246.00	0.14627	0.00	15.09	15.09
	Totals	81,208.32	18,297,552.00		#####	13,603.73	31,083.15

Festival Hydro Inc.
2001 PIL Recovery
Period: March 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		12,294,131.00	0.00070	8,612.25	7,320.37	15,932.62
	Residential Seaforth		823,851.00	0.00088	724.88	42.41	767.29
AA3	Residential Hensall		432,334.00	0.00002	7.85	148.88	156.73
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		6,758,802.00	0.00046	3,088.87	2,692.65	5,781.52
GEN	General Service < 50 kWh		118,500.00	0.00046	54.16	0.00	54.16
CCC	General Service < 50 kWh		15,760.00	0.00046	7.25	0.00	7.25
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	14,704.90		0.07855	1,155.14	2,383.12	3,538.25
FF1	General Service > 50 kWh	17,504.11		0.07855	1,375.03		1,375.03
FF2	General Service > 50 kWh	36,870.15		0.07855	2,896.32		2,896.32
ZFF/F1	Retailer billed	1,761.81		0.07855	138.40		138.40
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,823.07		0.03036	207.15	498.01	705.16
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,247.77		0.14927	484.79	209.48	694.27
REL	TOU - On		0.00				
REL	TOU	582.54		0.21259	123.84	173.64	297.49
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	879.07		0.05826	51.21	120.08	171.29
SLR	Sentinel Lighting *****	0.00	246.00	0.14627	0.00	15.09	15.09
	Totals	82,373.42	20,443,624.00		#####	13,603.73	32,530.87

Festival Hydro Inc.
2001 PIL Recovery
Period: February 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		13,659,527.00	0.00070	9,568.74	7,320.37	16,889.11
AA2	Residential Seaforth		866,162.00	0.00088	762.11	42.41	804.52
AA3	Residential Hensall		447,571.00	0.00002	8.13	148.88	157.01
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		7,007,842.00	0.00046	3,202.69	2,692.65	5,895.34
GEN	General Service < 50 kWh		118,500.00	0.00046	54.16	0.00	54.16
ZCC	General Service < 50 kWh		18,080.00	0.00046	8.32	0.00	8.32
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	14,602.98		0.07855	1,147.13	2,383.12	3,530.25
FF1	General Service > 50 kWh	17,622.77		0.07855	1,384.35		1,384.35
FF2	General Service > 50 kWh	35,984.01		0.07855	2,826.71		2,826.71
ZFF/F1	Retailer billed	1,787.70		0.07855	140.43		140.43
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,983.77		0.03036	212.03	498.01	710.04
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,843.20		0.14927	573.67	209.48	783.15
REL	TOU - On		0.00				
REL	TOU	449.03		0.21259	95.46	173.64	269.10
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	879.07		0.05826	51.21	120.08	171.29
SLR	Sentinel Lighting	0.00	246.00	0.14627	0.00	15.09	15.09
	Totals	82,152.53	22,117,928.00		#####	13,603.73	33,638.86

Festival Hydro Inc.
2001 PIL Recovery
Period: January 2003

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		13,075,904.00	0.00070	9,159.90	7,320.37	16,480.27
AA2	Residential Seaforth		768,827.00	0.00088	676.46	42.41	718.88
AA3	Residential Hensall		412,764.00	0.00002	7.49	148.88	156.37
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		6,609,714.00	0.00046	3,020.74	2,692.65	5,713.39
GEN	General Service < 50 kWh		118,500.00	0.00046	54.16	0.00	54.16
ZCC	General Service < 50 kWh		19,120.00	0.00046	8.80	0.00	8.80
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,772.82		0.07855	1,081.92	2,383.12	3,465.04
FF1	General Service > 50 kWh	18,214.40		0.07855	1,430.83		1,430.83
FF2	General Service > 50 kWh	35,886.69		0.07855	2,819.07		2,819.07
ZFF/F1	Retailer billed	1,797.82		0.07855	141.23		141.23
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,751.50		0.03036	204.97	498.01	702.98
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,350.05		0.14927	500.06	209.48	709.54
REL	TOU - On		0.00				
REL	TOU	1,254.26		0.21259	266.65	173.64	440.29
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	879.07		0.05826	51.21	120.08	171.29
SLR	Sentinel Lighting	0.00	209.96	0.14627	0.00	15.09	15.09
	Totals	81,906.61	21,005,038.96		#####	13,603.73	33,027.21

Festival Hydro Inc.
2001 PIL Recovery
Period: March 2002

Festival		March 2002		Amount Recovered	April 2002		Amount Recovered	May 2002		Amount Recovered	June 2002		Amount Recovered	July 2002	
		Diff over (under) absorbed			Diff over (under) absorbed			Diff over (under) absorbed			Diff over (under) absorbed			Diff over (under) absorbed	
Code	Category	kW's	kWh's		kW's	kWh's		kW's	kWh's		kW's	kWh's		kW's	kWh's
AA1	Residential		(7,755,521.17)	3,717.59		(29,266.67)	14,620.24		(1,032,154.67)	13,917.70		(4,155,232.67)	11,729.93		
AA2	Residential Seaforth		(466,837.25)	163.35		64,709.50	662.85		(86,682.50)	529.65		(637,968.50)	44.59		
AA3	Residential Hensall		(245,607.92)	38.96		24,291.58	155.52		(41,629.42)	154.33		(340,557.42)	148.90		
AA4	Residential Seaforth		0.00	0.00		0.00	0.00		0.00	0.00			0.00		
AA5	Residential St. Marys		0.00	0.00		0.00	0.00		0.00	0.00			0.00		
CCC	General Service < 50 kWh		(4,394,008.50)	1,357.68		134,154.50	5,446.61		403,361.50	5,569.64		(3,870,307.50)	3,616.51		
GEN	General Service < 50 kWh		30,334.50	13.86		118,172.00	54.01		115,294.00	52.69		11,932.00	5.45		
CCC	General Service < 50 kWh														
FFF	General Service > 50 kWh														
FF1	General Service > 50 kWh														
FF2	General Service > 50 kWh														
FFF	General Service > 50 kWh	(66,610.24)		923.84	(50,631.93)		3,966.35	(55,654.91)		3,571.77	(65,491.49)		2,799.06	(57,841.93)	
FF1	General Service > 50 kWh	5,570.20		437.57	16,456.76		1,292.76	217.92		17.12	18,033.09		1,416.58	19,378.26	
FF2	General Service > 50 kWh	8,366.70		657.24	33,937.02		2,665.91	236.78		18.60	34,874.51		2,739.56	35,727.53	
ZFG	Retailer billed	0.00						0.00		0.00	297.90		23.40	1,541.72	
FAG	TOU - On														
FA1	TOU - Off														
FAG	TOU	(5,387.80)		175.38	351.48		723.13	(7,063.67)		498.01	466.32		726.62	553.44	
HEN	TOU - On														
HR1	TOU - Off														
HEN	TOU	(2,379.00)		186.04	462.81		767.35	(3,274.50)		209.48	480.08		769.92	412.30	
REL	TOU - On														
REL	TOU	(1,460.93)		137.99	(612.89)		448.51	(1,905.83)		173.64	(571.80)		457.25	(815.11)	
LGH	Street Lighting - Winter														
	Street Lighting Summer														
	Street Lighting TOU	(883.33)	0.00	30.02	(883.33)		120.08	(883.33)		120.08	(883.33)		120.08	(12.69)	
	Sentinel Lighting	(44.42)		3.77	(44.42)		15.09	(44.42)		15.09	(44.42)		15.09	(44.42)	
	Totals	(62,828.81)	(12,831,640.33)	7,843.30	(964.50)	312,060.92	30,938.40	(68,371.96)	(641,811.08)	24,847.79	(12,839.14)	(8,992,134.08)	24,612.94	(1,100.90)	
	Diff		77,915.75			311,663.00			313,435.00						

Festival Hydro Inc.

2001PIL Recovery

Determination of amount to be recovered- Variable Charge

Festival		From Form 6 of the PIL calculation		From Form 6 Amount to be recovered via the rates - Total	From Form 6 Amount to be recovered via rates - Variable	Variable charge Amount to be recovered per kW's	per kWh's	Monthly budgeted amount to be recovered		From Form 6 Amount to be recovered via rates - Fixed	Fixed amount being recovered monthly
Code	Category	kW's	kWh's					kW's	kWh's		
AA1/AA5	Residential		125,399,384.00	175,688.89	87,844.45		0.00070		10,449,948.67	87,844.44	7,320.37
AA2/AA4	Residential Seaforth		7,685,310.00	7,271.00	6,762.03		0.00088		640,442.50	508.97	42.41
AA3	Residential Hensall		4,099,937.00	1,861.00	74.44		0.00002		341,661.42	1,786.56	148.88
CCC	General Service < 50 kWh		70,701,786.00	64,623.55	32,311.77		0.00046		5,891,815.50	32,311.78	2,692.65
GEN	General Service < 50 kWh		0.00								
CCC	General Service < 50 kWh	0.00									
FFF	General Service > 50 kWh		0.00								
FF1	General Service > 50 kWh		0.00								
FF2	General Service > 50 kWh		0.00								
FFF	General Service > 50 kWh	849,437.00		95,324.66	66,727.27	0.07855		70,786.42		28,597.39	2,383.12
FF1	General Service > 50 kWh	0.00									
FF2	General Service > 50 kWh	0.00									
	Standby Service										
FAG	TOU - On		0.00								
FA1	TOU - Off		0.00								
FAG	TOU	84,764.00	0.00	8,549.53	2,573.41	0.03036		7,063.67		5,976.12	498.01
HEN	TOU - On		0.00								
HR1	TOU - Off		0.00								
HEN	TOU	39,294.00		8,379.15	5,865.41	0.14927		3,274.50		2,513.74	209.48
REL	TOU - On		0.00								
REL	TOU	22,870.00		6,945.70	4,861.99	0.21259		1,905.83		2,083.71	173.64
	Street Lighting - Winter										
	Street Lighting Summer										
LGH	Street Lighting TOU	10,600.00		2,058.50	617.55	0.05826		883.33		1,440.95	120.08
	Sentinel Lighting	533.00		259.02	77.96	0.14627		44.42		181.06	15.09
	Totals	1,007,498.00	207,886,417.00	370,961.00	207,716.28					163,244.72	13,603.73
	Balance per report	1,007,498.00	207,886,417.00	370,961.00	207,716.28			83,958.17	17,323,868.08	163,244.73	13,603.73
		0.00	0.00					x 12 mths	x 12 mths		x 12 mths
								<u>1,007,498.00</u>	<u>207,886,417.00</u>		<u>163,244.72</u>

Festival Hydro Inc.
2001 PIL Recovery
Period: December 2002

Festival Code	Category	Actuals per the billing registers		Recovery Rate	Variable Amount Recovered	Fixed monthly recovery	Total recovery
		kW's	kWh's				
AA1	Residential		11,081,213.00	0.00070	7,762.58	7,320.37	15,082.95
	Residential Seaforth		618,942.00	0.00088	544.58	42.41	587.00
AA3	Residential Hensall		334,577.00	0.00002	6.07	148.88	154.95
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		5,952,481.00	0.00046	2,720.37	2,692.65	5,413.02
GEN	General Service < 50 kWh		118,500.00	0.00046	54.16	0.00	54.16
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,655.37		0.07855	1,072.69	2,383.12	3,455.81
FF1	General Service > 50 kWh	18,731.85		0.07855	1,471.47		1,471.47
FF2	General Service > 50 kWh	35,801.58		0.07855	2,812.38		2,812.38
ZFF/F1	Retailer billed	1,429.02		0.07855	112.26		112.26
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,850.16		0.03036	207.97	498.01	705.98
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,404.86		0.14927	508.24	209.48	717.72
REL	TOU - On		0.00				
REL	TOU	1,786.50		0.21259	379.80	173.64	553.44
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	3,481.18	*****	0.05826	202.81	120.08	322.89
SLR	Sentinel Lighting *****	42.66	152.00	0.14627	6.24	15.09	21.33
	Totals	85,183.18	18,105,865.00		#####	13,603.73	31,465.36

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at KwH in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2001 PIL Recovery
Period: November 2002

Festival		Actuals per the billing registers		Recovery Rate	Variable		Total recovery
Code	Category	kW's	kWh's		Amount Recovered	Fixed monthly recovery	
AA1	Residential		9,985,133.00	0.00070	6,994.76	7,320.37	14,315.13
	Residential Seaforth		527,829.00	0.00088	464.42	42.41	506.83
AA3	Residential Hensall		278,443.00	0.00002	5.06	148.88	153.94
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		5,585,928.00	0.00046	2,552.85	2,692.65	5,245.50
GEN	General Service < 50 kWh		118,500.00	0.00046	54.16	0.00	54.16
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,677.30		0.07855	1,074.42	2,383.12	3,457.53
FF1	General Service > 50 kWh	20,292.78		0.07855	1,594.09		1,594.09
FF2	General Service > 50 kWh	35,748.48		0.07855	2,808.21		2,808.21
ZFF/F1	Retailer billed	1,619.86		0.07855	127.25		127.25
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,506.93		0.03036	227.91	498.01	725.92
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,542.07		0.14927	528.72	209.48	738.20
REL	TOU - On		0.00				
REL	TOU	1,676.43		0.21259	356.40	173.64	530.04
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	874.00		0.05826	50.92	120.08	171.00
SLR	Sentinel Lighting	0.00	152.00	0.14627	0.00	15.09	15.09
Totals		84,937.85	16,495,985.00		#####	13,603.73	30,442.88

Balance per report

Festival Hydro Inc.
2001 PIL Recovery
Period: October 2002

Festival		Actuals per the billing registers		Recovery Rate	Variable		Total recovery
Code	Category	kW's	kWh's		Amount Recovered	Fixed monthly recovery	
AA1	Residential		9,378,142.00	0.00070	6,569.55	7,320.37	13,889.92
AA2	Residential Seaforth		657,130.00	0.00088	578.19	42.41	620.60
AA3	Residential Hensall		347,234.00	0.00002	6.30	148.88	155.18
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		5,871,490.00	0.00046	2,683.36	2,692.65	5,376.01
GEN	General Service < 50 kWh		118,172.00	0.00046	54.01	0.00	54.01
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,901.52		0.07855	1,092.03	2,383.12	3,475.15
FF1	General Service > 50 kWh	19,329.41		0.07855	1,518.42		1,518.42
FF2	General Service > 50 kWh	35,713.55		0.07855	2,805.47		2,805.47
ZFF/F1	Retailer billed	1,753.22		0.07855	137.72		137.72
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,663.05		0.03036	232.65	498.01	730.66
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,474.66		0.14927	518.66	209.48	728.14
REL	TOU - On		0.00				
REL	TOU	1,284.83		0.21259	273.15	173.64	446.79
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	870.64		0.05826	50.72	120.08	170.80
SLR	Sentinel Lighting	0.00	152.00	0.14627	0.00	15.09	15.09
Totals		83,990.88	16,372,320.00		#####	13,603.73	30,123.95

Balance per report

Festival Hydro Inc.
2001 PIL Recovery
Period: September 2002

Festival		Actuals per the billing registers		Recovery Rate	Variable		Total recovery
Code	Category	kW's	kWh's		Amount Recovered	Fixed monthly recovery	
AA1	Residential		11,725,906.00	0.00070	8,214.20	7,320.37	15,534.57
AA2	Residential Seaforth		703,259.00	0.00088	618.77	42.41	661.19
AA3	Residential Hensall		356,668.00	0.00002	6.48	148.88	155.36
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		6,430,074.00	0.00046	2,938.64	2,692.65	5,631.29
GEN	General Service < 50 kWh		118,172.00	0.00046	54.01	0.00	54.01
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,783.46		0.07855	1,082.76	2,383.12	3,465.87
FF1	General Service > 50 kWh	19,352.77		0.07855	1,520.25		1,520.25
FF2	General Service > 50 kWh	35,935.44		0.07855	2,822.90		2,822.90
ZFF/F1	Retailer billed	1,871.62		0.07855	147.02		147.02
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,709.20		0.03036	234.05	498.01	732.06
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,542.07		0.14927	528.72	209.48	738.20
REL	TOU - On		0.00				
REL	TOU	1,152.62		0.21259	245.04	173.64	418.68
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	870.64		0.05826	50.72	120.08	170.80
SLR	Sentinel Lighting	0.00	152.00	0.14627	0.00	15.09	15.09
ZFG	Retailer billed						
	Totals	84,217.82	19,334,231.00		#####	13,603.73	32,067.29

Balance per report

Festival Hydro Inc.
2001 PIL Recovery
Period: August 2002

Festival		Actuals per the billing registers		Recovery Rate	Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's		Amount Recovered		
AA1	Residential		12,277,623.00	0.00070	8,600.69	7,320.37	15,921.06
AA2	Residential Seaforth		652,754.00	0.00088	574.33	42.41	616.75
AA3	Residential Hensall		377,279.00	0.00002	6.85	148.88	155.73
AA4	Residential Seaforth			0.00088	0.00		
AA5	Residential St. Marys			0.00002	0.00		
CCC	General Service < 50 kWh		6,369,058.00	0.00046	2,910.75	2,692.65	5,603.40
GEN	General Service < 50 kWh		118,172.00	0.00046	54.01	0.00	54.01
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	12,941.35		0.07855	1,016.60	2,383.12	3,399.72
FF1	General Service > 50 kWh	19,384.02		0.07855	1,522.71		1,522.71
FF2	General Service > 50 kWh	35,334.20		0.07855	2,775.67		2,775.67
ZFF/F1	Retailer billed	1,812.34		0.07855	142.37		142.37
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,679.35		0.03036	233.14	498.01	731.15
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,626.74		0.14927	541.36	209.48	750.84
REL	TOU - On		0.00				
REL	TOU	1,180.93		0.21259	251.06	173.64	424.70
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	870.64		0.05826	50.72	120.08	170.80
SLR	Sentinel Lighting	0.00	152.00	0.14627	0.00	15.09	15.09
ZFG	Retailer billed						
	Totals	82,829.57	19,795,038.00		#####	13,603.73	32,283.99

Festival Hydro Inc.
2001 PIL Recovery
Period: July 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		9,688,830.00	0.00070	6,787.19	7,320.37	14,107.56
AA2	Residential Seaforth		570,158.00	0.00088	501.66	42.41	544.08
AA3	Residential Hensall		308,394.00	0.00002	5.60	148.88	154.48
AA4	Residential Seaforth			0.00088	0.00		
AA5	Residential St. Marys			0.00002	0.00		
CCC	General Service < 50 kWh		5,414,260.00	0.00046	2,474.40	2,692.65	5,167.05
GEN	General Service < 50 kWh		118,172.00	0.00046	54.01	0.00	54.01
CCC	General Service < 50 kWh		0.00				
		0.00					
FFF	General Service > 50 kWh						
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	12,944.49	0.00	0.07855	0.00	2,383.12	2,383.12
FF1	General Service > 50 kWh	19,378.26		0.07855	1,016.85		1,016.85
FF2	General Service > 50 kWh	35,727.53		0.07855	1,522.25		1,522.25
ZFG	Retailer billed	1,541.72		0.07855	2,806.57		2,806.57
FAG	TOU - On						
FA1	TOU - Off		0.00				
FAG	TOU	7,617.11		0.03036	231.25	498.01	729.26
HEN	TOU - On						
HR1	TOU - Off		0.00				
HEN	TOU	3,686.80		0.14927	550.33	209.48	759.81
REL	TOU - On						
REL	TOU	1,090.72	0.00	0.21259	231.88	173.64	405.52
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	870.64		0.05826	50.72	120.08	170.80
			0.00				
SLR	Sentinel Lighting		152.00	0.14627	0.00	15.09	15.09
	Totals	82,857.27	16,099,966.00		#####	13,603.73	29,836.44

Festival Hydro Inc.
2001 PIL Recovery
Period: Jun 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		6,294,716.00	0.00070	4,409.56	7,320.37	11,729.93
AA2	Residential Seaforth		2,474.00	0.00088	2.18	42.41	44.59
AA3	Residential Hensall		1,104.00	0.00002	0.02	148.88	148.90
AA4	Residential Seaforth		0.00	0.00088	0.00		
AA5	Residential St. Marys		0.00	0.00002	0.00		
CCC	General Service < 50 kWh		2,021,508.00	0.00046	923.86	2,692.65	3,616.51
GEN	General Service < 50 kWh		11,932.00	0.00046	5.45	0.00	5.45
CCC	General Service < 50 kWh						
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	5,294.93		0.07855	415.94	2,383.12	2,799.06
FF1	General Service > 50 kWh	18,033.09		0.07855	1,416.58		1,416.58
FF2	General Service > 50 kWh	34,874.51		0.07855	2,739.56		2,739.56
ZFF/ZFF1	Retailer billed	297.90		0.07855	23.40		23.40
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,529.99		0.03036	228.61	498.01	726.62
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,754.58		0.14927	560.45	209.48	769.92
REL	TOU - On		0.00				
REL	TOU	1,334.03		0.21259	283.60	173.64	457.25
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU		0.00	0.05826	0.00	120.08	120.08
	Sentinel Lighting		0.00	0.14627	0.00	15.09	15.09
Totals		71,119.03	8,331,734.00		#####	13,603.73	24,612.94

Festival Hydro Inc.
2001 PIL Recovery
Period: May 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		9,417,794.00	0.00070	6,597.33	7,320.37	13,917.70
AA2	Residential Seaforth		553,760.00	0.00088	487.23	42.41	529.65
AA3	Residential Hensall		300,032.00	0.00002	5.45	148.88	154.33
AA4	Residential Seaforth		0.00	0.00088	0.00		0.00
AA5	Residential St. Marys		0.00	0.00002	0.00		0.00
CCC	General Service < 50 kWh		6,295,177.00	0.00046	2,876.99	2,692.65	5,569.64
GEN	General Service < 50 kWh		115,294.00	0.00046	52.69	0.00	52.69
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	15,131.51		0.07855	1,188.65	2,383.12	3,571.77
FF1	General Service > 50 kWh	217.92		0.07855	17.12		17.12
FF2	General Service > 50 kWh	236.78		0.07855	18.60		18.60
							0.00
FAG	TOU - On						
FA1	TOU - Off						
FAG	TOU	0.00		0.03036	0.00	498.01	498.01
HEN	TOU - On						
HR1	TOU - Off						
HEN	TOU	0.00		0.14927	0.00	209.48	209.48
REL	TOU - On						
REL	TOU	0.00		0.21259	0.00	173.64	173.64
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU		313,435.00	0.05826	0.00	120.08	120.08
	Sentinel Lighting			0.14627	0.00	15.09	15.09
	Totals	15,586.21	16,995,492.00		#####	13,603.73	24,847.79

Festival Hydro Inc.
2001 PIL Recovery
Period: April 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		10,420,682.00	0.00070	7,299.87	7,320.37	14,620.24
AA2	Residential Seaforth		705,152.00	0.00088	620.44	42.41	662.85
AA3	Residential Hensall		365,953.00	0.00002	6.64	148.88	155.52
AA4	Residential Seaforth		0.00	0.00088	0.00		0.00
AA5	Residential St. Marys		0.00	0.00002	0.00		0.00
CCC	General Service < 50 kWh		6,025,970.00	0.00046	2,753.96	2,692.65	5,446.61
GEN	General Service < 50 kWh		118,172.00	0.00046	54.01	0.00	54.01
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	20,154.49		0.07855	1,583.23	2,383.12	3,966.35
FF1	General Service > 50 kWh	16,456.76		0.07855	1,292.76		1,292.76
FF2	General Service > 50 kWh	33,937.02		0.07855	2,665.91		2,665.91
							0.00
	Standby Service						
FAG	TOU - On		0.00				
FA1	TOU - Off		0.00				
FAG	TOU	7,415.15		0.03036	225.12	498.01	723.13
HEN	TOU - On		0.00				
HR1	TOU - Off		0.00				
HEN	TOU	3,737.31		0.14927	557.87	209.48	767.35
REL	TOU - On		0.00				
REL	TOU	1,292.94		0.21259	274.87	173.64	448.51
	Street Lighting - Winter						
	Street Lighting Summer		0.00				
LGH	Street Lighting TOU		311,663.00	0.05826	0.00	120.08	120.08
	Sentinel Lighting			0.14627	0.00	15.09	15.09
	Totals	82,993.67	17,947,592.00		#####	13,603.73	30,938.40

Festival Hydro Inc.
2001 PIL Recovery
Period: March 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's				
AA1	Residential		2,694,427.50	0.00070	1,887.49	1,830.09	3,717.59
AA2	Residential Seaforth		173,605.25	0.00088	152.75	10.60	163.35
AA3	Residential Hensall		96,053.50	0.00002	1.74	37.22	38.96
AA4	Residential Seaforth		0.00	0.00088	0.00		0.00
AA5	Residential St. Marys		0.00	0.00002	0.00		0.00
CCC	General Service < 50 kWh		1,497,807.00	0.00046	684.52	673.16	1,357.68
GEN	General Service < 50 kWh		30,334.50	0.00046	13.86	0.00	13.86
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh						
FF1	General Service > 50 kWh						
FF2	General Service > 50 kWh						
FFF	General Service > 50 kWh	4,176.18		0.07855	328.06	595.78	923.84
FF1	General Service > 50 kWh	5,570.20		0.07855	437.57		437.57
FF2	General Service > 50 kWh	8,366.70		0.07855	657.24		657.24
							0.00
	Standby Service						
FAG	TOU - On		.				
FA1	TOU - Off		.				
FAG	TOU	1,675.87		0.03036	50.88	124.50	175.38
HEN	TOU - On						
HR1	TOU - Off						
HEN	TOU	895.50		0.14927	133.67	52.37	186.04
REL	TOU - On						
REL	TOU	444.90		0.21259	94.58	43.41	137.99
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU		77,915.75	0.05826	0.00	30.02	30.02
	Sentinel Lighting			0.14627	0.00	3.77	3.77
	Totals	21,129.35	4,570,143.50		4,442.37	3,400.93	7,843.30

Monteith, Monteith & Co.
Chartered Accountants

PARTNERS:

ROBERT F. LIGHTFOOT, C.A.
STEPHEN J. LANDERS, B.A., C.A.
ROBERT B. LIGHTFOOT, B.B.A., C.A.

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PRINCIPAL:

MERVYN T. DIETZ, C.M.A.

REVIEW ENGAGEMENT REPORT

To the Shareholder of
Festival Hydro Inc.:

We have reviewed the statement of financial position of Festival Hydro Inc. (formerly the City of Stratford Public Utility Commission - Electric Department) as at December 31, 2001 and the statements of operations and changes in cash position for the 3 months then ended. Our review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with generally accepted accounting principles.

Monteith Monteith & Co.

CHARTERED ACCOUNTANTS.

Stratford, Ontario,
February 15th, 2002.

LIABILITIES and EQUITY

	December 31 <u>2001</u> \$	September 30 <u>2001</u> \$
Current:		
Accounts Payable (Note 5)	4,780,719	4,719,496
Other Current Liabilities	430,917	575,348
Due to the Corporation of the City of Stratford	105,253	106,985
Accrued Vacation and Regular Pay	234,430	271,515
Accrued Interest	--	173,750
Demand Note Payable (Note 6)	13,900,000	13,900,000
Current Portion of Long-term Debt	<u>65,159</u>	<u>63,419</u>
Total Current Liabilities	<u>19,516,478</u>	<u>19,810,513</u>
Long-term Debt:		
Employee Future Benefits (Note 7)	890,971	869,589
Customer Deposits	128,418	135,266
Less: Payments due within one year	<u>65,159</u>	<u>63,419</u>
Total Long-term Debt	<u>954,230</u>	<u>941,436</u>
Total Liabilities	<u>20,470,708</u>	<u>20,751,949</u>
Equity:		
Share Capital (Note 8)	21,337,111	21,337,111
Utility Equity (Statement 2)	<u>303,072</u>	<u>589,866</u>
Total Equity	<u>21,640,183</u>	<u>21,926,977</u>
	<u>42,110,891</u>	<u>42,678,926</u>

(PREPARED WITHOUT AUDIT - SEE REVIEW ENGAGEMENT REPORT
and ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

FESTIVAL HYDRO INC.
 (formerly City of Stratford Public Utility Commission - Electric Department)
 STATEMENT of OPERATIONS
 for the three months ended December 31 2001
 (with comparative figures for the nine months ended September 30 2001)

	Three Months Ended December 31 <u>2001</u> \$	Nine Months Ended September 30 <u>2001</u> \$
Service Revenue:		
Power	12,340,979	26,640,366
Cost of Power:		
Power Purchased - Ontario Power Generation Inc.	<u>11,172,118</u>	<u>23,274,073</u>
Gross Margin on Service Revenue	1,168,861	3,366,293
Other Operating Revenue (Schedule 1)	<u>209,964</u>	<u>645,177</u>
	<u>1,378,825</u>	<u>4,011,470</u>
Expense:		
Operating and Maintenance Expense (Schedule 1)	226,934	583,957
Billing, Data Processing and Collection	253,987	436,590
General Administrative Expense	344,356	558,977
Payments in Lieu of Taxes	27,675	29,808
Amortization	<u>551,909</u>	<u>1,241,134</u>
Total Expense	<u>1,404,861</u>	<u>2,850,466</u>
	<u>(26,036)</u>	<u>1,161,004</u>
Financial Expense:		
Interest Expense	<u>260,758</u>	<u>196</u>
Net Revenue (Loss) for the Period	(286,794)	1,160,808
Equity (Deficit), Beginning of Period	<u>589,866</u>	<u>(570,942)</u>
Equity (Deficit), End of Period	<u>303,072</u>	<u>589,866</u>

CITY of STRATFORD
 (formerly City of Stratford Public Utility Commission - Electric Department)
 STATEMENT of CHANGES in CASH POSITION
 for the three months ended December 31 2001
 (with comparative figures for the nine months ended September 30 2001)

	Three Months Ended December 31 <u>2001</u> \$	Nine Months Ended September 30 <u>2001</u> \$
Cash Provided by (Used in) Operating Activities:		
Net Revenue (Loss) for the Period (Statement 2)	(286,794)	1,160,808
Item not Affecting Cash:		
Amortization	551,909	1,241,134
Net Change in Non-cash Current Operating Accounts (Note 11)	(79,589)	(691,285)
	<u>185,526</u>	<u>1,710,657</u>
Cash Provided by (Used in) Financing Activities:		
Increase (Decrease) in Customer Deposits	(6,848)	(10,463)
Decrease (Increase) in amount due to/from Festival Hydro Services Inc.	(175,501)	(24,459)
Increase in Employee Future Benefits	21,382	16,026
Issuance of Class A Special Shares	--	7,800,000
	<u>(160,967)</u>	<u>7,781,104</u>
Cash Provided by (Used in) Investment Activities:		
Purchase of Capital Assets	(1,286,730)	(5,811,976)
Increase In Organization Costs	--	(43,100)
	<u>(1,286,730)</u>	<u>(5,855,076)</u>
Cash Position:		
Increase for Period	(1,262,171)	3,636,685
Beginning of Period	<u>8,092,690</u>	<u>4,456,005</u>
End of Period	<u>6,830,519</u>	<u>8,092,690</u>

(PREPARED WITHOUT AUDIT - SEE REVIEW ENGAGEMENT REPORT
 and ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

FESTIVAL HYDRO INC.
 (formerly City of Stratford Public Utility Commission - Electric Department)
 SCHEDULE of REVENUE and EXPENSE
 for the three months ended December 31 2001
 (with comparative figures for the nine months ended September 30 2001)

	Three Months Ended December 31 <u>2001</u> \$	Nine Months Ended September 30 <u>2001</u> \$
Other Operating Revenue:		
Late Payment Charges	17,479	88,545
Interest Earned	62,380	182,486
Change of Occupancy Charges	4,947	13,077
Rentals	54,434	53,052
Miscellaneous Revenue	70,724	308,017
Total Other Operating Revenue (Statement 2)	<u>209,964</u>	<u>645,177</u>
Operating and Maintenance Expense:		
Distribution Station Equipment	40,453	52,226
Overhead Distribution Lines and Services	69,049	252,809
Underground Distribution Lines and Services	43,290	116,374
Distribution Transformers	19,088	30,197
Distribution Meters	39,686	102,460
Customer Premises	15,368	29,891
Total Operating and Maintenance Expense (Statement 2)	<u>226,934</u>	<u>583,957</u>

(PREPARED WITHOUT AUDIT - SEE REVIEW ENGAGEMENT REPORT
 and ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

FESTIVAL HYDRO INC.
(formerly City of Stratford Public Utility Commission - Electric Department)
NOTES to the FINANCIAL STATEMENTS
December 31 2001

1. Incorporation:

Festival Hydro Inc. was incorporated under the Business Corporations Act (Ontario) pursuant to Section 142 of the Electricity Act 1998 on July 11, 2000. The corporation of the City of Stratford passed a bylaw pursuant to Section 145 of the Electricity Act 1998 transferring certain assets and liabilities used in connection with the sale of electricity and electrical distribution systems from the Stratford Public Utility Commission - Electric Department to Festival Hydro Inc. In exchange for these assets the Municipality received a promissory note and 10,001 common shares.

2. Significant Accounting Policies:

These financial statements have been prepared in accordance with accounting principles for Municipal Electrical Utilities in Ontario as required by the Ontario Energy Board under the authority of the Ontario Energy Board Act, 1998 and reflect the following policies as set forth in the Ontario Energy Board Accounting Procedures Handbook. All principles employed are in accordance with generally accepted accounting principles. The policies considered to be significant are as follows:

(a) Capital Assets:

Capital assets are recorded in the accounts at cost and are amortized on the straight-line basis at varying rates estimated to write off the cost of each asset over its useful life. The rates are as follows:

	Life In Years <u>Estimated</u>
Buildings	50
Buildings - Other Construction	25
Substation Equipment	30
Transmission Lines - Overhead	25
Transmission - Underground	25
Distribution Lines - Overhead	25
Distribution Lines - Underground	25
Transformers	25
Meters	25
Computer Equipment	5
Trucks	5
Trailers	5
Miscellaneous Assets	10

(PREPARED WITHOUT AUDIT - SEE REVIEW ENGAGEMENT REPORT)

FESTIVAL HYDRO INC.
(formerly City of Stratford Public Utility Commission - Electric Department)
NOTES to the FINANCIAL STATEMENTS
December 31 2001

2. Significant Accounting Policies: (Continued)

(a) Capital Assets: (Continued)

Maintenance and repair items are expensed as incurred. Additions, renewals or betterments are capitalized. Any normal gain or loss on sale or retirement of buildings or equipment is included in operating revenues/costs in the year of disposal.

(b) Inventory:

Inventory is recorded in the accounts at the lower of cost and net realizable value.

(c) Contribution in Aid of Construction:

Amounts received in aid of construction will be recorded as contributed capital. Festival Hydro Inc. retains ownership of the related assets, which are amortized in accordance with the policy described in (a) above. The contributions are amortized at the same rate.

(d) Organization Costs:

Costs incurred for the amalgamation of the corporations (1438188 Ontario Inc., 1438189 Ontario Inc., 1438190 Ontario Inc., 1438191 Ontario Inc., 1438192 Ontario Inc., 1438193 Ontario Inc. and Festival Hydro Inc.) are being amortized over 10 years on the straight line basis

3. Transition Costs:

Transition costs in the amount of \$110,064 have been capitalized in accordance with Article 480 of the Accounting Procedures Handbook issued by the Ontario Energy Board.

Transition costs are used to determine future rate adjustments in accordance with the Ontario Energy Board's Rate Adjustment model. This account is reduced by revenues collected related to the recovery of these costs.

(PREPARED WITHOUT AUDIT - SEE REVIEW ENGAGEMENT REPORT)

FESTIVAL HYDRO INC.
(formerly City of Stratford Public Utility Commission - Electric Department)
NOTES to the FINANCIAL STATEMENTS
December 31 2001

4. Capital Assets:

Set out below are details of the corporation's capital assets by major category.

	December 31 2001		September 30 2001	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Plant	47,578,432	20,776,261	26,802,171	26,074,924
Rolling Stock	2,097,630	1,699,225	398,405	436,063
Office	1,211,103	998,582	212,521	211,650
Miscellaneous	621,802	462,460	159,342	106,206
	<u>51,508,967</u>	<u>23,936,528</u>	<u>27,572,439</u>	<u>26,828,843</u>

5. Accounts Payable:

	December 31 2001	September 30 2001
	\$	\$
Power - Ontario Power Generation Inc.	4,278,130	4,144,198
Other	<u>502,589</u>	<u>575,298</u>
	<u>4,780,719</u>	<u>4,719,496</u>

6. Demand Note Payable:

In consideration of the net assets of the former Stratford Public Utility Commission - Electric Department, the corporation issued a promissory note in the amount of \$13,900,000 to the Corporation of the City of Stratford. This note is payable on demand, and bears interest at the rate of 7.5% per annum.

Interest was forgiven by the Corporation of the City of Stratford for the period of January 1, 2001 to September 30, 2001.

(PREPARED WITHOUT AUDIT - SEE REVIEW ENGAGEMENT REPORT)

FESTIVAL HYDRO INC.
(formerly City of Stratford Public Utility Commission - Electric Department)
NOTES to the FINANCIAL STATEMENTS
December 31 2001

7. Employee Future Benefits:

Festival Hydro Inc. recognizes the cost of retirement benefits and certain post employment benefits over the periods in which the employees rendered services in return for these benefits. These accrued benefits amount to \$890,971 as at December 31, 2001 (September 30, 2001 - \$869,589).

8. Share Capital:

Authorized:

Unlimited number of Common Shares
 Unlimited number of Class A Special Shares
 Unlimited number of Class B Special Shares

Issued and Fully Paid:

	December 31 2001		September 30 2001	
	Number of Shares	\$	Number of Shares	\$
Class A Special Shares	7,800	7,800,000	7,800	7,800,000
Common Shares	10,001	<u>13,537,111</u>	10,001	<u>13,537,111</u>
		<u>21,337,111</u>		<u>21,337,111</u>

The Corporation of the City of Stratford is the sole shareholder.

9. Pension Agreements:

Festival Hydro Inc. contributes to the Ontario Municipal Employees Retirement System (O.M.E.R.S.) which is a multi-employer plan, on behalf of 50 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees based on their length of service and rates of pay.

As of August 1, 1998 O.M.E.R.S. declared a contribution holiday. It is expected that member and employer contribution rates will remain at 0% until July, 2002. Accordingly, contributions to O.M.E.R.S. for current services for the 3 months ended December 31, 2001 and nine months ended September 30, 2001 amount to \$Nil.

(PREPARED WITHOUT AUDIT - SEE REVIEW ENGAGEMENT REPORT)

FESTIVAL HYDRO INC.
(formerly City of Stratford Public Utility Commission - Electric Department)
NOTES to the FINANCIAL STATEMENTS
December 31 2001

10. Reciprocal Insurance Exchange:

Festival Hydro Inc. is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). The exchange is a separate entity managed directly by the Municipal Electric Association.

The members share in both the payment of claims and the operational costs associated with the exchange. The maximum limit of liability of the Exchange will be sixteen million dollars each incident and is not to exceed ½ of 1% total annual revenue of the members.

11. Changes in Non-cash Current Accounts:

	December 31 <u>2001</u> \$	September 30 <u>2001</u> \$
Pertaining to Operating Activities:		
Accounts Receivable	419,975	(1,472,507)
Inventory	259,488	(345,283)
Prepaid Expense	(89,324)	13,346
Transition Costs	(33,443)	(76,621)
Corporate Taxes Recoverable	(20,400)	--
Unbilled Revenue	(320,110)	(346,919)
Accounts Payable	61,223	925,259
Other Current Liabilities	(144,431)	187,671
Accrued Vacation and Regular Pay	(37,085)	40,980
Accrued Interest	(173,750)	--
Due (to) from The Corporation of the City of Stratford	<u>(1,732)</u>	<u>382,789</u>
	<u>(79,589)</u>	<u>(691,285)</u>

12. Amalgamation:

Festival Hydro Inc., 1438188 Ontario Inc., 1438189 Ontario Inc., 1438190 Ontario Inc., 1438191 Ontario Inc., 1438192 Ontario Inc., 1438193 Ontario Inc. were amalgamated on September 8, 2001 and continued as one corporation under the name of Festival Hydro Inc.

(PREPARED WITHOUT AUDIT - SEE REVIEW ENGAGEMENT REPORT)

FESTIVAL HYDRO INC.
(formerly City of Stratford Public Utility Commission - Electric Department)
NOTES to the FINANCIAL STATEMENTS
December 31 2001

13. Related Party Transactions:

Festival Hydro Inc. performs all of the administrative functions for Festival Hydro Services Inc. Furthermore, all expenses and revenue are paid and received through Festival Hydro Inc. The net balance owing to Festival Hydro Inc. from Festival Hydro Services Inc. as at December 31, 2001 bears no interest and has no terms of repayment. Festival Hydro Inc. and Festival Hydro Services Inc. are both wholly owned by the Corporation of the City of Stratford.

14. Corporate Income Taxes:

Under paragraphs 149(1)(d.5) and (d.6), of the Income Tax Act, corporations owned directly or indirectly by municipalities are generally exempt from income tax. Section 93 of the Electricity Act, 1998 imposes payments in lieu of taxes (PILs) commencing October 1, 2001, upon local electricity distributors that were previously exempt from income and capital taxes. The tax rules and rates applied in the calculation of the PILs are substantially similar to those that exist under the Income Tax Act and Corporations Tax Act.

(PREPARED WITHOUT AUDIT - SEE REVIEW ENGAGEMENT REPORT)

2002 PILS Support

	A	B	C	D	E
1	PILs TAXES - EB-2011-0167				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Festival Hydro Inc.			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Y	
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2002	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			31,136,775	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,666,865	
42					
43	1999 return from RUD Sheet #7			681,997	681,997
44					
45	Total Incremental revenue			1,984,868	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			661,623	661,623
48	Amount allowed in 2002			661,623	661,623
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				2,005,243
55					
56	Equity			15,568,388	
57					
58	Return at target ROE			1,538,157	
59					
60	Debt			15,568,388	
61					
62	Deemed interest amount in 100% of MARR			1,128,708	
63					
64	Phase-in of interest - Year 1 (2001)			568,666	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			848,687	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			848,687	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,128,708	
71					
72					

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2011-0167	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Festival Hydro Inc.							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13							\$	
14	II) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	2,005,243		882,801		2,888,044	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	1,951,722		195,462		2,147,184	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			1,039,000		1,039,000	
24	Regulatory Adjustments - increase in income	5	36,651		-36,651		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				4,933		4,933	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	1,358,147		261,745		1,619,892	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0		0		0	
37	Interest Expense Deemed/ Incurred	11	848,687		209,559		1,058,246	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			1,007,971		1,007,971	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			9,418		9,418	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		1,786,782		596,852	Before loss C/F	2,383,634	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		0.0000%		38.62%	
54								
55	REGULATORY INCOME TAX		690,055		216,038	Actual	906,093	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		690,055		216,038	Actual	906,093	
61								
62								
63	III) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	31,136,775		-31,136,775			
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-5,000,000			
68	Taxable Capital		26,136,775		-36,136,775		36,164,667	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		78,410		30,084	Overpaid	108,494	
73								
74	Federal Large Corporations Tax							
75	Base	18	31,136,775		7,735,669		38,872,444	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		21,136,775		7,735,669		28,872,444	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		47,558		17,405		64,963	
82	Less: Federal Surtax 1.12% x Taxable Income	21	20,012		7,455		27,467	
83								
84	Net LCT		27,546		9,950		37,496	
85								

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2011-0167	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Festival Hydro Inc.							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13							\$	
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	1,104,088			Actual 2002	906,093	
91	LCT (proxy tax is grossed-up)	23	44,073			Actual 2002	37,496	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	78,410			Actual 2002	108,494	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	1,226,572			Actual 2002	1,052,083	
96	RAM DECISION							
97								
98								
99	IV) FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance				DRI(CR)			
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			1,039,000			
105	Regulatory Adjustments	5			-36,651			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			1,007,971			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			9,418			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-15,040			
121								
122	Income Tax Rate (excluding surtax) from 2002 Utility's tax return			x	38.62%			
123								
124	Income Tax Effect on True-up adjustments			=	-5,808			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-5,808			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				37.50%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				(9,294)			
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,786,782			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	38.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	690,055			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	690,055			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	690,055			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2011-0167	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Festival Hydro Inc.							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13							\$	
150	Ontario Capital Tax							
151	Base			=	31,136,775			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	26,136,775			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	78,410			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	78,410			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base				31,136,775			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	21,136,775			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				47,558			
169	Less: Federal surtax			-	20,012			
170	Revised Net LCT			=	27,546			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	27,546			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.50%			
176								
177	Income Tax (grossed-up)			+	0			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0			
182								
183	TRUE-UP VARIANCE (from cell I130)			+	(9,294)			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(9,294)			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				1,128,708			
194	Interest phased-in (Cell C36)				848,687			
195								
196	Variance due to phase-in of debt component of MARR in rates				280,021			
197	according to the Board's decision							
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Actual Interest deducted on MoF filing (Cell K36+K41)				1,058,246			
202	Total deemed interest (REGINFO CELL D61)				1,128,708			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				0			
207								
208	Total Interest Variance				280,021			
209								
210								
211								

	A	B	C	D	E	F
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
6	Section A: Identification:					
7	Utility Name: Festival Hydro Inc.					
8	Reporting period: 2002					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		0	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	Income:					
31	Energy Sales	+	50,985,273		50,985,273	
32	Distribution Revenue	+	492,765		492,765	
33	Other Income	+	103,984	68,815	35,169	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	43,212,401		43,212,401	
40	Administration	-	1,114,327		1,114,327	
41	Customer billing and collecting	-	885,576		885,576	
42	Operations and maintenance	-	1,169,856		1,169,856	
43	Amortization	-	2,147,184		2,147,184	
44	Ontario Capital Tax	-	95,819		95,819	
45	Other Interest Expense (Customer Deposits/ IESO LC) ChECK	-	0		0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	2,956,859	68,815	2,888,044	
51	Less: Interest expense for accounting purposes	-	1,058,246		1,058,246	
52	Provision for payments in lieu of income taxes	-	895,680		895,680	
53	Net Income (loss)	=	1,002,933	68,815	934,118	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	895,680	0	895,680	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	2,147,184	0	2,147,184	
62	Employee benefit plans-accrued, not paid	+	0	0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	1,039,000	0	1,039,000	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"		4,933	0	4,933	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		4,086,797	0	4,086,797	
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	4,086,797	0	4,086,797	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	

	A	B	C	D	E	F
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						

	A	B	C	D	E	F
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,605,255		1,605,255	
98	Cumulative eligible capital deduction	-	14,637		14,637	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	1,007,971	0	1,007,971	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	2,627,863	0	2,627,863	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-	9,418		9,418	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	9,418	0	9,418	
121						
122	Total Deductions	=	2,637,281	0	2,637,281	
123						
124	Recap Material Deductions:					
125	Charitable donations - tax basis		9,418	0	9,418	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		9,418	0	9,418	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		9,418	0	9,418	
133						
134	TAXABLE INCOME	=	2,452,449	68,815	2,383,634	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	109,322		109,322	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	2,343,127	68,815	2,274,312	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	612,025		612,025	
143	Net Ontario Income Tax (Must agree with tax return)	+	294,068		294,068	
144	Subtotal	=	906,093	0	906,093	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	906,093	0	906,093	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		26.12%		26.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		38.62%	*****	38.62%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	906,093	0	906,093	
157	Ontario Capital Tax	+	108,494		108,494	
158	Federal Large Corporations Tax	+	37,496		37,496	
159						
160	Total income and capital taxes	=	1,052,083	0	1,052,083	
161						

	A	B	C	D	E	F
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Festival Hydro Inc.					
8	Reporting period: 2002					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Liability for Future Benefits		1,007,971		1,007,971	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		1,007,971	0	1,007,971	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Liability for Future Benefits		1,039,000		1,039,000	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		1,039,000	0	1,039,000	
64						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Festival Hydro Inc.					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37	Section 12(1)(a) income (customer deposits) Check	+	0		0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Festival Hydro Inc.					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92	Reg Assets variance (pre & post market) Adjustment	-			0	
93	Pre-October 2001 Income	-			0	
94	Transition Expenses Capitalized for accounting	-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	Non-taxable load transfers	-			0	
97	Section 20(1)(m) reserve (customer deposits) check	-	0		0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: Festival Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2002					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	4,933		4,933	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	0		0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		0		0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	Ontario capital tax adjustments	+			0	
41	Changes in Regulatory Asset balances	+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	4,933	0	4,933	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-	0		0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-			0	
65		-			0	
66	Changes in Regulatory Asset balances	-			0	
67	Reg Assets variance (pre & post market) Adjustment	-	0		0	
68	Pre-October 2001 Income Check	-	0		0	
69	Transition Expenses Capitalized for accounting Check	-	0		0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2011-0167									
2	Corporate Tax Rates									
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Festival Hydro Inc.									
5	Reporting period: 2002									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		700,000			>700,000		
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%		26.12%			
15	and Ontario blended		6.00%		6.00%		12.50%			
16	Blended rate		19.12%		34.12%		38.62%			
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
23										
24										
25	Table 2									
26	Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002									
27	Income Range		0		200,001					
28	Expected Rates		to		to			>700,000		
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2002								
32	Federal (Includes surtax)	2002	13.12%		26.12%		26.12%			
33	Ontario	2002	6.00%		6.00%		12.50%			
34	Blended rate	2002	19.12%		32.12%		38.62%			
35										
36	Capital Tax Rate	2002	0.300%							
37	LCT rate	2002	0.225%							
38	Surtax	2002	1.12%							
39	Ontario Capital Tax Exemption *** 2002	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2002	MAX \$10MM	10,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2002 Tax Returns									
45	Income Range		0		200,001					
46			to		to			>700,000		
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2002								
50	Federal (Includes surtax)		13.12%		26.12%		26.12%			
51	Ontario		6.00%		9.61%		12.50%			
52	Blended rate		19.12%		35.73%		38.62%			
53										
54	Capital Tax Rate		0.300%		0.300%					
55	LCT rate		0.225%		0.225%					
56	Surtax		1.12%		1.12%					
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,830,987		5,000,000					
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000		10,000,000					
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2011-0167														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Festival Hydro Inc.														Version 2009.1
4	Reporting period: 2002														0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		370,962		454,242		444,948		444,948		444,948		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	370,962		1,226,571		0		0		0		0		1,597,533
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-					-9,294						0		-9,294
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-											0		0
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	0		39,005										39,005
20	PILs billed to (collected from) customers (8)	-	0		-1,182,296										-1,182,296
21															
22	Ending balance: # 1562		370,962		454,242		444,948		444,948		444,948		444,948		444,948
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
31											Alternative #3 (includes contra Acct 1563)				
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
43															
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
49															
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
59	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
60															
61															
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
64															
65															
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
68															
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.														
71															
72															
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.														
75															
76															
77															

SHEET 8 - 2002 PILs Proxy Estimate Adder Calculation

NAME OF UTILITY	Festival Hydro Inc. - Co application Rates	LICENCE NUMBER	ED-1999-0053
NAME OF CONTACT	Debbie Reece	PHONE NUMBER	519-271-4703 (268)
E- Mail Address	dreece@festivalhydro.com		
VERSION NUMBER	2		
Date	22-Jan-02		

This schedule allows LDCs to input the calculated value for the 2002 PILs Proxy Estimate. Use the methodology released by the Board on December 21, 2001.

Enter the Estimated Value for the 2002 PILs Proxy **\$ 1,196,374.00**

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2002 PILs Proxy Estimate amount and to create the adders in each class. Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

When this data was added on Sheet 6, it will also appear in the table below.

2001 Statistics by Class	kw	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 PILs Estimate Allocations
RESIDENTIAL CLASS	-	125,399,384	14,490	\$2,732,052.72	48.56%	\$ 580,908.73
GENERAL SERVICE <50 KW CLASS	-	70,701,786	2,046	\$1,004,929.39	17.86%	\$ 213,675.33
GENERAL SERVICE >50 KW NON TIME OF USE	849,437	-	200	\$1,482,347.59	26.35%	\$ 315,187.42
General Service >50kW ClassTOU Customer 1	39,294	-	1	\$130,300.15	2.32%	\$ 27,705.36
General Service >50kW ClassTOU Customer 2	22,870	-	1	\$108,009.14	1.92%	\$ 22,965.68
LARGE USER CLASS	84,764	-	1	\$132,949.58	2.36%	\$ 28,268.70
SENTINEL LIGHTS	533	-	417	\$4,027.88	0.07%	\$ 856.44
STREET LIGHTING CLASS	10,600	-	5,628	\$32,010.69	0.57%	\$ 6,806.34
TOTALS				\$5,626,627.14	1.00	1,196,374.00 \$ 1,196,374.00

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.500	0.500	100%
(A) ALLOCATED 2002 PILs (Total in Cell G26 above)	\$ 290,454.37	\$ 290,454.37	\$ 580,908.73
(B) RETAIL KWH	125,399,384		
(C) NUMBER OF CUSTOMERS		14,490	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	\$0.002316		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7 and the total new Service Charge appears on the Rate Schedule on Sheet 9)		\$1.6704	

General Service <50kW Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.500	0.500	100%
(A) ALLOCATED 2002 PILs (Total in Cell G27 above)	\$ 106,837.66	\$ 106,837.66	\$ 213,675.33
(B) RETAIL KWH	70,701,786		
(C) NUMBER OF CUSTOMERS		2,046	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B)	\$0.001511		

(this amount is added to the kWh rate shown on Sheet 7 and
the total new rate appears on the Rate Schedule on Sheet 9)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 \$4.3515
(this amount is added to the Service Charge shown on Sheet 7 and
the total new Service Charge appears on the Rate Schedule on Sheet 9)

General Service >50kW Class Non TOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.700	0.300	100%
(A) ALLOCATED 2002 PILs (Total in Cell G28 above)	\$ 220,631.20	\$ 94,556.23	\$ 315,187.42
(B) RETAIL KW	849,437		
(C) NUMBER OF CUSTOMERS		200	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	\$0.259738		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7 and the total new Service Charge appears on the Rate Schedule on Sheet 9)		\$39.3984	

General Service >50kW ClassTOU Customer 1

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.700	0.300	100%
(A) ALLOCATED 2002 PILs (Total in Cell G29 above)	\$ 19,393.75	\$ 8,311.61	\$ 27,705.36
(B) RETAIL KW	39,294		
(C) NUMBER OF CUSTOMERS		1	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	\$0.493555		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7 and the total new Service Charge appears on the Rate Schedule on Sheet 9)		\$692.6339	

General Service >50kW ClassTOU Customer 2

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.700	0.300	100%
(A) ALLOCATED 2002 PILs (Total in Cell G30 above)	\$ 16,075.98	\$ 6,889.70	\$ 22,965.68
(B) RETAIL KW	22,870		
(C) NUMBER OF CUSTOMERS		1	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	\$0.702929		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7 and the total new Service Charge appears on the Rate Schedule on Sheet 9)		\$574.1420	

Large User Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.301	0.699	100%
(A) ALLOCATED 2002 PILs (Total in Cell G31 above)	\$ 8,508.88	\$ 19,759.82	\$ 28,268.70
(B) RETAIL KW	84,764		
(C) NUMBER OF CUSTOMERS		1	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	\$0.100383		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7 and the total new Service Charge appears on the Rate Schedule on Sheet 9)		\$1,646.6516	

Sentinel Lighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.301	0.699	100%
(A) ALLOCATED 2002 PILs (Total in Cell G32 above)	\$ 257.79	\$ 598.65	\$ 856.44
(B) RETAIL KW	533		
(C) NUMBER OF CUSTOMERS		417	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	\$0.483654		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7 and the total new Service Charge appears on the Rate Schedule on Sheet 9)		\$0.1196	

Streetlighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.300	0.700	100%
(A) ALLOCATED 2002 PILs (Total in Cell G33 above)	\$ 2,041.90	\$ 4,764.44	\$ 6,806.34
(B) RETAIL KW	10,600		
(C) NUMBER OF CUSTOMERS (Connections)		5,628	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	\$0.192632		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7 and the total new Service Charge appears on the Rate Schedule on Sheet 9)		\$0.0705	

SHEET 8 - 2002 PILs Proxy Estimate Adder Calculation

NAME OF UTILITY	Festival Hydro Inc - Seaforth Rates	LICENCE NUMBER	ED-1999-0053
NAME OF CONTACT	Debbie Reece	PHONE NUMBER	519-271-4043 (268)
E- Mail Address	dreece@festivalhydro.com		
VERSION NUMBER	3		
Date	21-Jan-02		

This schedule allows LDCs to input the calculated value for the 2002 PILs Proxy Estimate. Use the methodology released by the Board on December 21, 2001.

Enter the Estimated Value for the 2002 PILs Proxy

\$ 24,043.00

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2002 PILs Proxy Estimate amount and to create the adders in each class. Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

When this data was added on Sheet 6, it will also appear in the table below.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 PILs Estimate Allocations
RESIDENTIAL CLASS	-	7,685,310	955	\$232,472.00	100.00%	\$ 24,043.00
GENERAL SERVICE <50 KW CLASS	-	0	-	\$0.00	0.00%	\$ -
GENERAL SERVICE >50 KW NON TIME OF USE	0	-	-	\$0.00	0.00%	\$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	\$0.00	0.00%	\$ -
INTERMEDIATE USE	0	-	-	\$0.00	0.00%	\$ -
LARGE USER CLASS	0	-	-	\$0.00	0.00%	\$ -
SENTINEL LIGHTS	0	-	-	\$0.00	0.00%	\$ -
STREET LIGHTING CLASS	0	-	-	\$0.00	0.00%	\$ -
TOTALS				\$232,472.00	1.00	24,043.00
						\$ 24,043.00

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.930	0.070	100%
(A) ALLOCATED 2002 PILs (Total in Cell G26 above)	\$ 22,359.99	\$ 1,683.01	\$ 24,043.00
(B) RETAIL KWH	7,685,310		
(C) NUMBER OF CUSTOMERS		955	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	\$0.002909		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7 and the total new Service Charge appears on the Rate Schedule on Sheet 9)		\$0.1469	

SHEET 8 - 2002 PILs Proxy Estimate Adder Calculation

NAME OF UTILITY	Festival Hydro Inc. - Hensall Rates	LICENCE NUMBER	ED-1999-0053
NAME OF CONTACT	Debbie Reece	PHONE NUMBER	519-271-4043 (268)
E- Mail Address	dreece@festivalhydro.com		
VERSION NUMBER	3		
Date	21-Jan-02		

This schedule allows LDCs to input the calculated value for the 2002 PILs Proxy Estimate. Use the methodology released by the Board on December 21, 2001.

Enter the Estimated Value for the 2002 PILs Proxy \$ 6,155.00

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2002 PILs Proxy Estimate amount and to create the adders in each class. Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

When this data was added on Sheet 6, it will also appear in the table below.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 PILs Estimate Allocations
RESIDENTIAL CLASS	-	4,099,937	410	\$50,791.00	100.00%	\$ 6,155.00
GENERAL SERVICE <50 KW CLASS	-	0	-	\$0.00	0.00%	\$ -
GENERAL SERVICE >50 KW NON TIME OF USE	0	-	-	\$0.00	0.00%	\$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	\$0.00	0.00%	\$ -
INTERMEDIATE USE	0	-	-	\$0.00	0.00%	\$ -
LARGE USER CLASS	0	-	-	\$0.00	0.00%	\$ -
SENTINEL LIGHTS	0	-	-	\$0.00	0.00%	\$ -
STREET LIGHTING CLASS	0	-	-	\$0.00	0.00%	\$ -
TOTALS				\$50,791.00	1.00	6,155.00
						\$ 6,155.00

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.040	0.960	100%
(A) ALLOCATED 2002 PILs (Total in Cell G26 above)	\$ 246.20	\$ 5,908.80	\$ 6,155.00
(B) RETAIL KWH	4,099,937		
(C) NUMBER OF CUSTOMERS		410	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	\$0.000060		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7 and the total new Service Charge appears on the Rate Schedule on Sheet 9)		\$1.2010	

	A	B	C	D
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"			Version 2.0
2	REGULATORY INFORMATION (REGINFO)			
3	Utility Name: FESTIVAL HYDRO INC.			
4	Reporting period: January 1, 2002 to December 31, 2002			
5				Refiled - August 12, 200
6	Days in reporting period:	365	days	
7	Total days in the calendar year:	365	days	
8				
9	BACKGROUND			
10	Has the utility reviewed section 149(1) ITA to			
11	confirm that it is not subject to regular corporate			
12	tax (and therefore subject to PILs)?		Y/N	Y
13				
14	Was the utility recently acquired by Hydro One			
15	and now subject to s.89 & 90 PILs?		Y/N	N
16				
17	Is the utility a non-profit corporation?		Y/N	N
18	(If the utility is a non-profit corporation, please contact the Rates Manager at OEB)			
19				
20	Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?		Y/N	N
21	Please identify the % used to allocate the exemption in Cell C63 in the TAXCALC spreadsheet.			
22				
23	Accounting Year End		Date	31-Dec
24				
25	MARR NO TAX CALCULATIONS			
26	SHEET #7 FINAL RUD MODEL DATA			
27	(FROM 1999 FINANCIAL STATEMENTS)			
28	USE BOARD-APPROVED AMOUNTS			
29				
30	Rate base (wires-only)			31,136,775
31				
32	Common Equity Ratio (CER)			50.00%
33				
34	1-CER			50.00%
35				
36	Target Return On Equity			9.88%
37				
38	Debt rate			7.25%
39				
40	Market Adjusted Revenue Requirement			2,666,865
41				
42	1999 return from RUD Sheet #7			681,997
43				
44	Total Incremental revenue			1,984,868
45	Input Board-approved dollar amounts phased-in			
46				
47	Amount allowed in 2001, Year 1			661,623
48	Amount allowed in 2002, Year 2			661,623
49	Amount allowed in 2003, Year 3 and forward (will be zero due to Bill 210)			0
50				
51	Equity			15,568,388
52				
53	Return at target ROE			1,538,157
54				
55	Debt			15,568,388
56				
57	Deemed interest amount in EBIT			1,128,708
58				
59	Phase-in of interest - Year 1 (2001)			568,666
60	$((D38+D43)/D36)*D54$			
61	Phase-in of interest - Year 2 (2002)			848,687
62	$((D38+D43+D44)/D36)*D54$			
63	Phase-in of interest - Year 3 (2003) and forward			848,687
64	$((D38+D43+D44)/D36)*D54$ (due to Bill 210)			
65				
66				
67				

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	Refiled - August 12, 2005										Version 2.0	
6			\$						\$		\$	
7	Utility Name: FESTIVAL HYDRO INC.											
8	Reporting period: January 1, 2002 to December 31, 2002										Column	
9	Days in reporting period:	365	days								Brought	
10	Total days in the calendar year:	365	days								From	
11											TAXREC	
12												
13												
14	<u>I) CORPORATE INCOME TAXES</u>											
15	Regulatory Net Income	1	2,005,241						903,003		2,908,244	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions:											
20	Depreciation & Amortization	2	1,951,722						195,462		2,147,184	
21	Employee Benefit Plans - Accrued, Not Paid	3	0						0		0	
22	Tax reserves deducted in prior year	4	0						0		0	
23	Reserves from financial statements-end of year	4	0						1,039,000		1,039,000	
24	Regulatory Adjustments	5	36,651						-36,651		0	
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Items from "TAXREC" worksheet	6	0						0		0	
27	Other Additions (not "Material") "TAXREC"	6	0						0		0	
28	"Material Items from "TAXREC 2" worksheet	6	0						0		0	
29	Other Additions (not "Material") "TAXREC 2"	6	0						4,933		4,933	
30												
31	Deductions:											
32	Capital Cost Allowance and CEC	7	1,358,147						261,745		1,619,892	
33	Employee Benefit Plans - Paid Amounts	8	0						0		0	
34	Items Capitalized for Regulatory Purposes	9	0						0		0	
35	Regulatory Adjustments	10	0						0		0	
36	Interest Expense Deemed/ Incurred	11	848,686						209,560		1,058,246	
37	Tax reserves claimed in current year	4	0						0		0	
38	Reserves from F/S beginning of year	4	0						1,007,971		1,007,971	
39	Contributions to deferred income plans	3	0						0		0	
40	Contributions to pension plans	3	0						0		0	
41	Interest capitalized for accounting but deducted for tax	11	0						0		0	
42	Other Deductions (See Tab entitled "TAXREC")											
43	"Material" Items from "TAXREC" worksheet	12	0						0		0	
44	Other Deductions (not "Material") "TAXREC"	12	0						0		0	
45	Material Items from "TAXREC 2" worksheet	12	0						0		0	
46	Other Deductions (not "Material") "TAXREC 2"	12	0						0		0	
47												
48	REGULATORY TAXABLE INCOME/ (LOSSES)		1,786,781						3,585,023		2,413,252	
49												
50	CORPORATE INCOME TAX RATE											
51	Deemed %	13	38.62%						0.0000%		38.62%	
52												
53	REGULATORY INCOME TAX		690,055						241,943		931,998	
54	Taxable Income x Rate											
55												
56	Miscellaneous Tax Credits	14	0						0		0	
57												
58	Total Regulatory Income Tax		690,055						241,943		931,998	
59												
60	To determine the exemptions for capital tax and large corporations tax:											
61	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%									
62												
63	<u>II) CAPITAL TAXES</u>											
64												
65	Ontario											
66	Base	15	31,136,775						9,926,623		41,063,398	
67	Less: Exemption	16	5,000,000						-101,400		4,898,600	
68	Deemed Taxable Capital		26,136,775						9,825,223		36,164,798	
69												
70	Rate (.3%)	17	0.3000%						0.0000%		0.3000%	
71												
72	Net Amount (Taxable Capital x Rate)		78,410						30,084		108,494	
73												
74	Federal (LCT)											
75	Base	18	31,136,775						6,145,623		37,282,398	
76	Less: Exemption	19	10,000,000						0		10,000,000	
77	Deemed Taxable Capital		21,136,775						6,145,623		27,282,398	
78												
79	Rate (.225%)	20	0.2250%						0.0000%		0.2250%	
80												
81	Gross Amount (Taxable Capital x Rate)		47,558						13,828		61,385	
82	Less: Federal Surtax	21	20,012						7,016		27,028	
83												
84	Net LCT		27,546						20,844		34,357	
85												

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	Refiled - August 12, 2005										Version 2.0	
6			\$						\$		\$	
86	III) INCLUSION IN RATES											
87												
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%									
89												
90	Income Tax (grossed-up)	22	1,104,088									
91	LCT (grossed-up)	23	44,073									
92	Ontario Capital Tax	24	78,410									
93												
94												
95	Total S. 93 PILs Rate Adjustment	25	1,226,571									
96												
97												
98												
99	IV) FUTURE TRUE-UPS (post June 2002)											
100	IV a) Calculation of the True-up Variance								DR/(CR)			
101												
102	Employee Benefit Plans - Accrued, Not Paid	3							0			
103	Tax reserves deducted in prior year	4							0			
104	Reserves from financial statements-end of year	4							1,039,000			
105	Regulatory Adjustments	5							-36,651			
106	Other additions "Material" Items "TAXREC"	6							0			
107	Other additions "Material" Items "TAXREC 2"	6							0			
108												
109	Employee Benefit Plans - Paid Amounts	8							0			
110	Items Capitalized for Regulatory Purposes	9							0			
111	Regulatory Adjustments	10							0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11							0			
113	Tax reserves claimed in current year	4							0			
114	Reserves from F/S beginning of year	4							1,007,971			
115	Contributions to deferred income plans	3							0			
116	Contributions to pension plans	3							0			
117	Other deductions "Material" Items "TAXREC"	12							0			
118	Other deductions "Material" Item "TAXREC 2"	12							0			
119												
120	Total TRUE-UPS before tax effect	26						=	-5,622			
121												
122	Income Tax Rate (excluding surtax)							x	37.50%			
123												
124	Income Tax Effect on True-up adjustments							=	-2,108			
125												
126	Less: Miscellaneous Tax Credits	14							0			
127												
128	Total Income Tax on True-ups								-2,108			
129												
130	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
131												
132	TRUE-UP VARIANCE								(3,373)			
133												
134	IV b) Calculation of the Deferral Account Variance											
135												
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	1,786,781			
137												
138	REVISED CORPORATE INCOME TAX RATE							x	38.62%			
139												
140	REVISED REGULATORY INCOME TAX							=	690,055			
141												
142	Less: Revised Miscellaneous Tax Credits							-	0			
143												
144	Total Revised Regulatory Income Tax							=	690,055			
145												
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	690,055			
147												
148	Regulatory Income Tax Variance							=	0			
149												
150	Ontario Capital Tax											
151	Base							=	31,136,775			
152	Less: Exemption							-	5,000,000			
153	Revised deemed taxable capital							=	26,136,775			
154												
155	Rate (as a result of legislative changes)							x	0.3000%			
156												
157	Revised Ontario Capital Tax							=	78,410			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)							-	78,410			
159	Regulatory Ontario Capital Tax Variance							=	0			
160												
161	Federal LCT											
162	Base							=	31,136,775			
163	Less: Exemption							-	10,000,000			
164	Revised Federal LCT							=	21,136,775			
165												

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	Refiled - August 12, 2005										Version 2.0	
6			\$						\$		\$	
166	Rate (as a result of legislative changes)								0.2250%			
167												
168	Gross Amount								47,558			
169	Less: Federal surtax							-	20,012			
170	Revised Net LCT							=	27,546			
171												
172	Less: Federal LCT reported in the initial estimate column (Cell C84)							-	27,546			
173	Regulatory Federal LCT Variance							=	0			
174												
175	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
176												
177	Income Tax (grossed-up)							+	0			
178	LCT (grossed-up)							+	0			
179	Ontario Capital Tax							+	0			
180												
181	DEFERRAL ACCOUNT VARIANCE							=	0			
182												
183	TRUE-UP VARIANCE (from cell I132)							+	(3,373)			
184												
185	Deferral Account Entry (Positive Entry = Debit)							=	(3,373)			
186	(Deferral Account Variance + True-up Variance)											
187	To be included as deferral account in rate application)											
188												
189												
190	V) INTEREST PORTION OF TRUE-UP											
191	Variance Caused By Phase-in of Deemed Debt											
192												
193	Total deemed interest (REGINFO)								1,128,708			
194	Interest phased-in (Cell C36)								848,686			
195												
196	Variance due to phase-in of debt structure								280,022			
197	according to Rate Handbook											
198												
199	Other Interest Variances (i.e. Borrowing Levels											
200	Above Deemed Debt per Rate Handbook)											
201	Interest deducted on MoF filing (Cell K36+K41)								1,058,246			
202	Total deemed interest (REGINFO CELL D57)								1,128,708			
203												
204	Variance caused by excess debt								0			
205												
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)								0			
207												
208	Total Interest Variance								280,022			
209												

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	Refiled - August 12, 2005		Return			
5					Version 2.0	
6	Section A: Identification:					
7	Utility Name: FESTIVAL HYDRO INC.					
8	Reporting period: January 1, 2002 to December 31, 2002					
9	Taxation Year's start date:		1-Jan-02			
10	Taxation Year's end date:		31-Dec-02			
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		38,921	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wire related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as positive number, the program automatically treat all amounts					
28	in the "non-wires elimination column" entered as negative values in the TAXREC and TAXREC2.					
29	Description:					
30	Income:					
31	Distribution Revenue	+	50,985,273		50,985,273	
32	Other Income	+	492,765		492,765	
33	Miscellaneous income	+	103,984	68,615	35,369	
34	Overstatement of income on income tax return	+	20,000		20,000	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Expenses:					
39	Cost of energy purchased	-	43,212,401		43,212,401	
40	Administration	-	1,114,327		1,114,327	
41	Customer billing and collecting	-	885,576		885,576	
42	Amortization	-	2,147,184		2,147,184	
43	Operations and maintenance	-	1,169,856		1,169,856	
44	Ontario Capital Tax	-	95,819		95,819	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	2,976,859	68,615	2,908,244	
51	Less: Interest expense for accounting purposes	-	1,058,246		1,058,246	
52	Provision for payments in lieu of income taxes	-	895,680		895,680	
53	Net Income (loss)	=	1,022,933	68,615	954,318	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	895,680	0	895,680	
60	Depreciation & Amortization	+	2,147,184	0	2,147,184	
61	Employee benefit plans-accrued, not paid	+	0	0	0	
62	Tax reserves deducted in prior year	+	0	0	0	
63	Reserves from financial statements- end of year	+	1,039,000		1,039,000	
64	Regulatory adjustments	+			0	
65	Material addition items from TAXREC 2	+	0	0	0	
66	Other addition items (not Material) from TAXREC 2	+	4,933	0	4,933	
67						
68	Subtotal		4,086,797	0	4,086,797	
69						
70	Other Additions: (Please explain the nature of the additions)					
71	Recapture of CCA	+			0	
72	Non-deductible meals and entertainment expense	+			0	
73	Capital items expensed	+			0	
74		+			0	
75		+			0	
76		+			0	
77		+			0	
78	Total Other Additions	=	0	0	0	
79						
80	Total Additions	=	4,086,797	0	4,086,797	
81						
82	Recap Material Additions:					
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90	Total Other additions >materiality level		0	0	0	
91	Other deductions (less than materiality level)		0	0	0	
92	Total Other Additions		0	0	0	
93						

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	Refiled - August 12, 2005		Return			
5					Version 2.0	
94	BOOK TO TAX DEDUCTIONS:					
95	Capital cost allowance	-	1,605,255		1,605,255	
96	Cumulative eligible capital deduction	-	14,637		14,637	
97	Employee benefit plans-paid amounts	-			0	
98	Items capitalized for regulatory purposes	-			0	
99	Regulatory adjustments :	-			0	
100	CCA	-			0	
101	other deductions	-			0	
102	Tax reserves claimed in current year	-	0	0	0	
103	Reserves from F/S- beginning of year	-	1,007,971		1,007,971	
104	Contributions to deferred income plans	-			0	
105	Contributions to pension plans	-			0	
106	Interest capitalized for accounting deducted for tax	-			0	
107	Material deduction items from TAXREC 2	-	0	0	0	
108	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
109						
110	Subtotal	=	2,627,863	0	2,627,863	
111	Other deductions (Please explain the nature of the deductions)					
112	Charitable donations - tax basis	-			0	
113	Gain on disposal of assets	-			0	
114		-			0	
115		-			0	
116		-			0	
117	Total Other Deductions	=	0	0	0	
118						
119	Total Deductions	=	2,627,863	0	2,627,863	
120						
121	Recap Material Deductions:					
122			0	0	0	
123			0	0	0	
124			0	0	0	
125			0	0	0	
126			0	0	0	
127	Total Other Deductions exceed materiality level		0	0	0	
128	Other Deductions less than materiality level		0	0	0	
129	Total Other Deductions		0	0	0	
130						
131	TAXABLE INCOME	=	2,481,867	68,615	2,413,252	
132	DEDUCT:					
133	Non-capital loss applied	-	348916		348916	
134	Net capital loss applied	-			0	
135	NET TAXABLE INCOME	=	2,132,951	68,615	2,064,336	
136						
137	Net Federal Income Tax	+	612,025		612,025	
138	Net Ontario Income Tax	+	294,068		294,068	
139	Subtotal	=	906,093	0	906,093	
140	Less: Miscellaneous tax credits	-			0	
141	Total Income Tax	=	906,093	0	906,093	
142						
143						
144	Section D: Detail calculation of the Ontario Capital Tax					
145	ONTARIO CAPITAL TAX					
146	(From Ontario CT23)					
147	PAID-UP CAPITAL					
148						
149	Paid-up capital stock	+	19,637,111		19,637,111	
150	Retained earnings (if deficit, deduct)	+/-	813,763		813,763	
151	Capital and other surplus excluding	+			0	
152	appraisal surplus	+			0	
153	Loans and advances	+	15,792,524		15,792,524	
154	Bank loans	+			0	
155	Bankers acceptances	+			0	
156	Bonds and debentures payable	+			0	
157	Mortgages payable	+			0	
158	Lien notes payable	+			0	
159	Deferred credits	+			0	
160	Contingent, investment, inventory and similar reserves	+			0	
161	Other reserves not allowed as deductions	+	1,039,000		1,039,000	
162	Share of partnership(s), joint venture(s) paid-up capital	+			0	
163	Sub-total	=	37,282,398	0	37,282,398	
164	Subtract:					
165	Amounts deducted for income tax purposes in excess of amounts booked	-	-3,781,000		-3,781,000	
166	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
167	Total (Net) Paid-up Capital	=	41,063,398	0	41,063,398	
168						
169	ELIGIBLE INVESTMENTS					
170						
171	Bonds, lien notes, interest coupons	+			0	
172	Mortgages due from other corporations	+			0	
173	Shares in other corporations	+			0	
174	Loans and advances to unrelated corporations	+			0	
175	Eligible loans and advances to related corporations	+	0		0	
176	Share of partnership(s) or joint venture(s) eligible investments	+			0	
177						
178	Total Eligible Investments	=	0	0	0	
179						

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	Refiled - August 12, 2005		Return			
5					Version 2.0	
180						
181	TOTAL ASSETS					
182						
183	Total assets per balance sheet	+	43,217,981		43,217,981	
184	Mortgages or other liabilities deducted from assets	+			0	
185	Share of partnership(s)/ joint venture(s) total assets	+			0	
186	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
187						
188	Total assets as adjusted	=	43,217,981	0	43,217,981	
189						
190	Add: (if deducted from assets)					
191	Contingent, investment, inventory and similar reserves	+			0	
192	Other reserves not allowed as deductions	+			0	
193	Subtract:				0	
194	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
195	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
196	Subtract: Appraisal surplus if booked	-			0	
197	Add or subtract: Other adjustments	+/-			0	
198						
199	Total Assets	=	43,217,981	0	43,217,981	
200						
201						
202	Investment Allowance		0	0	0	
203						
204	Taxable Capital					
205						
206	Net paid-up capital	+	41,063,398	0	41,063,398	
207	Subtract: Investment Allowance	-	0	0	0	
208						
209	Taxable Capital	=	41,063,398	0	41,063,398	
210						
211	Capital Tax Calculation					
212	Deduction from taxable capital up to \$5,000,000		4,898,600		4,898,600	
213						
214	Net Taxable Capital		36,164,798	0	36,164,798	
215						
216	Rate 0.3%		0.3000%	0.3000%	0.3000%	
217						
218	Days in taxation year		365	365	365	
219	Divide days by 365		1.00	1.00	1.00	
220						
221	Ontario Capital Tax		108,494	0	108,494	
222						
223						
224	LARGE CORPORATION TAX					
225	(From Federal Schedule 33)					
226	CAPITAL					
227	ADD:					
228	Reserves that have not been deducted in computing income for the year under Part I	+			0	
229	Capital stock	+	19,637,111	0	19,637,111	
230	Retained earnings	+	813,763		813,763	
231	Contributed surplus	+			0	
232	Any other surpluses	+			0	
233	Deferred unrealized foreign exchange gains	+			0	
234	All loans and advances to the corporation	+	15,600,000		15,600,000	
235	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+	1,231,524		1,231,524	
236	Any dividends declared but not paid	+			0	
237	All other indebtedness outstanding for more than 365 days	+			0	
238						
239	Subtotal	=	37,282,398	0	37,282,398	
240						
241	DEDUCT:					
242	Deferred tax debit balance	-			0	
243	Any deficit deducted in computing shareholders' equity	-			0	
244	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
245	Deferred unrealized foreign exchange losses	-			0	
246						
247	Subtotal	=	0	0	0	
248						
249	Capital for the year		37,282,398	0	37,282,398	
250						

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	Refiled - August 12, 2005		Return			
5					Version 2.0	
251	INVESTMENT ALLOWANCE					
252						
253	Shares in another corporation	+			0	
254	Loan or advance to another corporation	+			0	
255	Bond, debenture, note, mortgage, or	+			0	
256	similar obligation of another corporation	+			0	
257	Long term debt of financial institution	+			0	
258	Dividend receivable from another corporation	+			0	
259	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
260	Interest in a partnership	+			0	
261						
262	Investment Allowance	=	0	0	0	
263						
264						
265	TAXABLE CAPITAL					
266						
267	Capital for the year	=	37,282,398	0	37,282,398	
268						
269	Deduct: Investment allowance	-	0	0	0	
270						
271	Taxable Capital for taxation year	=	37,282,398	0	37,282,398	
272						
273	Deduct: Capital Deduction \$10,000,000	-	10,000,000	0	10,000,000	
274						
275	Taxable Capital	=	27,282,398	0	27,282,398	
276						
277	Rate .225%		0.22500%	0.22500%	0.22500%	
278						
279	Days in year		365	365	365	
280	Divide days by 365		1.0000	1.0000	1.0000	
281						
282	Gross Part I.3 Tax LCT	=	61,385.40	0.00	61,385.40	
283						
284	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
285						
286	Less: Federal Surtax = Taxable Income x Surtax Rate	-	23,889	768	23,121	
287						
288	Net Part I.3 Tax LCT Payable	=	37,496	0	38,265	
289	(If surtax is greater than Gross LCT, then zero)					
290						
291	RECAP:					
292	Total Income Taxes	+	906,093	0	906,093	
293	Ontario Capital Tax	+	108,494	0	108,494	
294	Federal Large Corporations Tax	+	37,496	0	38,265	
295						
296	Total income and capital taxes	=	1,052,083	0	1,052,852	
297						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (Tax Reserves)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	Refiled - August 12, 2005		Return			
5					Version 2.0	
6						
7	Utility Name: FESTIVAL HYDRO INC.					
8	Reporting period: January 1, 2002 to December 31, 2002					
9						
10	<u>TAX RESERVES</u>					
11	<u>Opening balance:</u>					
12	Accrued contingent liability				0	
13	Accrued Benefit Obligation		0		0	
14					0	
15					0	
16					0	
17					0	
18					0	
19					0	
20					0	
21	Total (carry forward to the TAXREC worksheet)		0	0	0	
22						
23	<u>Ending balances:</u>					
24	Accrued contingent liability				0	
25	Accrued Benefit Obligation		0		0	
26					0	
27					0	
28					0	
29					0	
30					0	
31					0	
32					0	
33	Insert line above this line				0	
34	Total (carry forward to the TAXREC worksheet)		0	0	0	
35						

	A	B	C	D	E	F
1						
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	Refiled - August 12, 2005		Return			
6					Version 2.0	
7						
8	Utility Name: FESTIVAL HYDRO INC.					
9	Reporting period: January 1, 2002 to December 31, 2002					
10	Number of days in taxation year:		365	days		
11	Materiality Level:		38,921			
12						
13	Section C: Reconciliation of accounting income to taxable income					
14	Add:					
15	Recapture of capital cost allowance	+			0	
16	Gain on sale of eligible capital property	+			0	
17	Income or loss for tax purposes- joint ventures or partnerships	+	4933		4933	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations	+			0	
21	Taxable capital gains	+			0	
22	Depreciation in inventory -end of year	+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Non-deductible club dues and fees	+			0	
27	Non-deductible automobile expenses	+			0	
28	Non-deductible life insurance premiums	+			0	
29	Soft costs on construction and renovation of buildings	+			0	
30	Book loss on joint ventures or partnerships	+			0	
31	Capital items expensed	+			0	
32	Debt issue expense	+			0	
33	Deemed dividend income	+			0	
34	Dividends credited to investment account	+			0	
35	Financing fees deducted in books	+			0	
36	Gain on settlement of debt	+			0	
37	Interest paid on income debentures	+			0	
38	Recapture of SR&ED expenditures	+			0	
39	Share issue expense	+			0	
40	Write down of capital property	+			0	
41	Amounts received in respect of qualifying environment trust	+			0	
42	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
43		+			0	
44		+			0	
45		+			0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53	Total Additions	=	4933	0	4933	
54						
55	Recap of Material Additions:					
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			0	0	0	

	A	B	C	D	E	F
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	Refiled - August 12, 2005		Return			
6					Version 2.0	
82			0	0	0	
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92			0	0	0	
93						
94	Total Material additions		0	0	0	
95	Other additions less than materiality level		4933	0	4933	
96	Total Additions		4933	0	4933	
97						
98	Deduct:					
99	Gain on disposal of assets per f/s	-			0	
100	Dividends not taxable under section 83	-			0	
101	Terminal loss from Schedule 8	-			0	
102	Depreciation in inventory, end of prior year	-			0	
103	Scientific research expenses claimed in year from Form T661	-			0	
104	Bad debt	-			0	
105	Book income of joint venture or partnership	-			0	
106	Equity in income from subsidiary or affiliates	-			0	
107	Contributions to a qualifying environment trust	-			0	
108	Other income from financial statements	-			0	
109	Other deductions: (Please explain in detail the nature of the item)	-				
110		-			0	
111		-			0	
112		-			0	
113		-			0	
114		-			0	
115		-			0	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121	Total Deductions	=	0	0	0	
122						
123	Recap of Material Deductions:					
124			0	0	0	
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140			0	0	0	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145	Total Deductions exceed materiality level		0	0	0	
146	Other deductions less than materiality level		0	0	0	
147	Total Deductions		0	0	0	
148						

	A	B	C	D	E	F	G	H	I
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"								
2	Corporate Tax Rates								
3									
4	Income Range		0	200,001	>700,000				
5			to	to					
6		Year	200,000	700,000					
7	Income Tax Rate								
8	Current year	2002	19.12%	34.12%	38.62%				
9	Capital Tax Rate		0.30%						
10	LCT rate		0.225%						
11	Surtax		1.12%						
12	Ontario Capital Tax Exemption		5,000,000						
13	Federal Large Corporations Tax Exemption		10,000,000						
14									
15	Income Range		0	225,001	>700,000				
16			to	to					
17		Year	225,000	700,000					
18	Income Tax Rate								
19	Income Tax Rates used to gross up the deferral account allowance variance	2003	18.62%	32.12%	36.62%				
20									
21	Income Range		0	250,001	>700,000				
22			to	to					
23		Year	250,000	700,000					
24	Income Tax Rate								
25	Income Tax Rates used to gross up the true up variance	2004	18.62%	32.12%	36.62%				

	A	B	C	D	E	F	G
1		SECTION 93 PILs TAX GROSS-UP "SIMPIL"					Version 2.0
2		Filing Requirements related to the "SIMPIL" model					
3		Utility Name: FESTIVAL HYDRO INC.					
4		Reporting period: January 1, 2002 to December 31, 2002					
5		Refiled - August 12, 2005					
6		Documents to be submitted to the Board when filing the Initial Estimate Column information:					
7		(Stage 1 filing: normally in January of the reporting period)					
8							
9	1)	REGINFO spreadsheet		☐			
10							
11	2)	TAXCALC spreadsheet		☐			
12							
13	3)	CCA schedule prepared for regulatory purposes		☐			
14							
15	4)	TAX RATES spreadsheet		☐			
16							
17	5)	Checklist		☐			
18							
19	6)	Electronic format of the SIMPIL spreadsheets		☐			
20							
21		Documents to be submitted to the Board when filing the Deferral Account Allowance Column information:					
22		(Stage 2 filing: normally in December of the reporting period)					
23							
24	1)	REGINFO spreadsheet		☐			
25							
26	2)	TAXCALC spreadsheet		☐			
27							
28	3)	Revised CCA schedule prepared for regulatory purposes if changes have been made		☐			
29							
30	4)	TAX RATES spreadsheet		☐			
31							
32	5)	Checklist		☐			
33							
34	6)	Electronic format of the SIMPIL spreadsheets		☐			
35							
36		Documents to be submitted to the Board when filing the Ministry of Finance Column information:					
37		(Stage 3 filing: normally in July of the year following the reporting period)					
38							
39	1)	REGINFO spreadsheet		☒			
40							
41	2)	TAXCALC spreadsheet		☒			
42							
43	3)	TAXREC, TAXREC 2 spreadsheets		☒			
44							
45	4)	TAX RESERVES spreadsheet		☒			
46							
47	5)	BACKGROUND QUESTIONNAIRE spreadsheet		☒			
48							
49	6)	CONTINUITY SCHEDULE OF ACCOUNT # 1562		☒			
50							
51	7)	Financial statements used to prepare tax returns if different from the audited financial statements previously submitted to the Board		☒			
52							
53	8)	TAX RATES worksheet		☒			
54							
55	9)	Checklist		☒			
56							
57	10)	Electronic format of the SIMPIL worksheets		☒			

	A	B	C	D	E	F	G	H
1		SECTION 93 PILs TAX GROSS-UP	"SIMPIL"					
2		QUESTIONNAIRE						
3		Utility Name: FESTIVAL HYDRO INC.						
4		Reporting period: January 1, 2002 to December 31, 2002						Version 2.0
5		Refiled - August 12, 2005						
6		1 Does the company engage in non-regulated activities?						
7		Answer: Yes						
8								
9								
10		If the answer to question 1 is "NO", please skip question 2 to 6.						
11		2 Please identify the types of non-wire operations carried on by the LDC.						
12		Billing and collection of water and sewage on behalf of the City of Stratford, streetlight						
13		maintenance for local municipalities.						
14								
15								
16		3 Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?						
17		Answer: No						
18								
19								
20								
21		4 Please identify the percentage and amount of gross revenues arising from non-wire operations.						
22		Answer: 1.25% (\$645,788) of total gross revenues are from non-wire operations.						
23		The net of non wire income less non wire expenses totaling \$68,615 is recorded in TAXREC cell D34.						
24								
25		5 Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.						
26		Answer: 10.9% (\$577,173) of total operating expenses (operating expenses being operations and maintenance,						
27		customer billing and collecting, administration and amortization expense.						
28								
29		6 Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining						
30		to non-wire operations.						
31		Answer: Nil						
32								
33								
34		7 Did the company incur any OPEB (Other Post Employment Benefits) expenditure for accounting and tax purposes? (P						
35		Answer: Yes. Festival Hydro has a post retirement benefit accrual of \$1,039,000 which is accounted for on an acccrua						
36								
37		8 Did the company have any reserve for accounting and tax purposes? (Please identify the amount.)						
38		Answer: Yes. Accrued benefit obligations as reported on the Tax Reserves spreadsheet - ending bal of \$1,039,000; op						
39								
40								
41		OTHER PERTINENT INFORMATION:						
42		9 Did the LDC incur any transition costs?						
43		Answer: Yes						
44								
45								
46		If the answer to question 9 is "NO", please skip question 10 and 11.						
47		10 Please identify the amount of transition costs recovery received from consumers during the reporting period.						
48		Answer: \$ 29,462.92						
49								
50								
51		11 Please identify the amount of transition costs deducted for accounting and tax purposes.						
52		Answer:						
53			Accounting		Tax			
54		Amortization/CCA claimed	0		0			
55		Other expensed	29,462.92		29,462.92			
56		Total	29,462.92		29,462.92			
57		Transition costs capitalized	211,282.67		211,282.67			
58		Incurred prior to October 1, 2001 & non-deductible for tax purposes	0		0			

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34	lease identify the amount			
35	basis according to the CICA handbool			
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38	ening bal of \$1,007,97			
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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"														
2	Analysis of Account 1562:	Deferred Payment in lieu of Taxes													
3															
4															
5	Utility Name: FESTIVAL HYDRO INC.														
6	Reporting period: January 1, 2002 to December 31, 2002														
7	Refiled - August 12, 2005														
8															
9	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
10	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		12/31/2006		Total
11															
12	Opening balance:	=			58,914		188,019		188,019		188,019		188,019		0
13	Initial Estimate PILs Rate Adjustment(1)	+/-	370,962		1,226,571										1,597,533
14	Deferral Account Variance PILs Rate Adjustment(2)	+/-	0												0
15	Deferral Account Entry (True-up adjustments) (3)	+/-	0		(3,373)										(3,373)
16	Carrying charges	+/-	15,792		14,025										29,817
17	PILs collected from customers	-	327,840		1,108,118										1,435,958
18															
19	Ending balance:		58,914		188,019		188,019		188,019		188,019		188,019		188,019
20															
21	Note:														
22	The purposes of this worksheet is to show the movement in Account 1562.														
23	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities														
24															
25	Please identify the accounting method used to account for the PILs recovery.														
26	Answer: Festival Hydro is following Alternative # 3 as described in Frequently Asked Questions - April 2003. Under this method, a contra														
27	account is set up on the Balance Sheet to ensure the difference between the Board approved recovery and the actual amounts collected from customers														
28	is identified in Account # 1562.														
29															
30	(1) in the Initial Estimate Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet														
31	(2) in the Deferral Account Variance Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet														
32	(3) in the Ministry of Finance Variance Column, under Future True-ups, Part IV of the TAXCALC spreadsheet														
33															

Ontario Energy
Board
P.O. Box 2319
26th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'Énergie
de l'Ontario
C.P. 2319
26e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone; 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

March 4, 2002

Mr. Peter Switzer
President
Festival Hydro Inc.
P.O. Box 397
187 Erie Street
Stratford, ON
N5A 6T5

Dear Mr. Switzer:

**Re: Festival Hydro Inc.
March 2002 LDC Rate Adjustments
Board File No. RP-2002-0078/EB-2002-0087**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

Encl.



RP-2002-0078
EB-2002-0087

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 Festival
Hydro Inc. for an order or orders approving or fixing
just and reasonable rates.

BEFORE: Paul Vlahos
Vice Chair and Presiding Member

George Dominy
Vice Chair and Member

DECISION AND ORDER

On December 21, 2001 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for the March 1, 2002 distribution rate adjustments. Supplemental instructions were issued on January 18, 2002.

Festival Hydro Inc. ("the Applicant") filed an Application ("the Application"), dated January 23, 2002, for an order or orders under section 78 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002.

The Applicant filed a revised application ("the Revised Application") dated February 22, 2002.

The Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and providing the opportunity for ratepayers to participate in the proceeding or comment on the utility's application. In response to the Board's generic Notice, the Board received a total of 148 submissions in the form of a letter, facsimile, or e-mail. The total may be apportioned to the following four categories:

- 100 were copies of a template submission seeking an oral hearing, wanting to make oral submissions, claiming that rates are not just and reasonable. Another 9 were of the same template but indicated they did not wish to make an oral submission.
- 10 indicated that there should be an oral hearing and wanted to make a submission.
- 11 indicated that there should be an oral hearing but did not wish to make an oral submission.
- 18 made substantive submissions.

In some cases the submission named a specific electricity distributor, in other cases it did not. The Applicant was not named in any of the submissions.

By letter dated February 11, 2002 the Board directed electricity distributors to serve the Notice to the municipal corporation in the distributors' service area. No submissions were received.

The Applicant applied to adjust its distribution rates for the following:

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.
- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), \$661,622.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$370,961.
- the 2002 Payments in Lieu of Taxes (PILs), \$1,226,572.
- an interim transition cost recovery of \$36,651.
- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$81,598.

In addition, the Applicant proposed to change the Fixed Charge/Variable Charge ratios from the values used in the 2001 RUD Model for its three distinct residential classes. This change would allow the Applicant to harmonize the residential rates amongst them over the long term, and at the same time mitigate against excessive rate changes for residential customers in its territory.

Copies of the Application and supporting material are available for review at the Board's offices.

While the Board has considered all of the evidence filed in this proceeding, the Board has only referenced the evidence to the extent necessary to provide background to its findings.

Board Findings

As noted above, a number of persons have written to the Board requesting that the Board hold an oral hearing in the matter of the applications by electricity distributors.

Under subsection 5.1(2) of the *Statutory Powers Procedure Act*, the Board shall not hold a written hearing where a party satisfies it that there is good reason not to hold a written hearing, in which case the Board will proceed by way of an oral or electronic hearing. Good reasons for proceeding by way of an oral hearing may include the existence of questions of credibility in which the Board will be assisted by the ability to observe the demeanor of witnesses or the complexity of evidence which parties should have the ability to test through cross-examination. Another good reason may be where an oral hearing would allow the Board to more expeditiously deal with an application.

The persons who have requested an oral hearing have not cited any such reasons but have in most cases merely stated that “the rates are not just and reasonable” and that they “would like the opportunity to present to the Board on this matter”.

The current proceeding is an extension of the process undertaken by the Board to restructure Ontario’s electricity distribution industry. To facilitate this work, the Board developed a regulatory framework that was the result of extensive consultation and public hearings. The current applications are the result of this framework, which is largely formulaic and includes for the first time the provision for the legislative requirement of PILs.

Persons have received an opportunity to make their concerns known to the Board through the published Notice which invited written submissions on the

applications. The Board notes that a written hearing is a public process in which all documents received by the Board are available to the public. The Board further notes that most of the issues raised by the submissions of the persons requesting an oral hearing are outside of the scope of the Board's jurisdiction in this proceeding. For example, some persons raised issues of privatization of electricity services and limitations in international trade agreements on the ability of the government to make changes to Ontario's electricity system in the future. These are not relevant to the Board's duty in this proceeding to approve just and reasonable rates for an individual distributor regulated by the Board.

Therefore, the Board has decided not to hold an oral hearing in this matter.

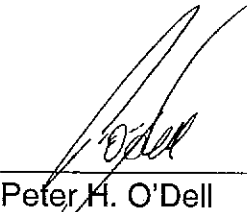
The Board finds that the Applicant's proposals in the Revised Application conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

THE BOARD ORDERS THAT:

- 1) The rates set out in Appendix "A" of this Order are approved effective March 1, 2002.
- 2) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

DATED at Toronto, March 4, 2002.

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2002-0078
EB-2002-0087

March 4, 2002

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'P. O'Dell', is written over a horizontal line.

Peter H. O'Dell
Assistant Board Secretary

Festival Hydro Inc.
Schedule of Rates and Charges
Effective March 1, 2002

RP-2002-0078
EB-2002-0087

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31

Summer: All Hours, April 1 through September 30

Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays
including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto)
Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.

Off Peak: All Other Hours.

Cost of Power rates valid only until subsection 26(1) of the Electricity Act, 1998 comes into effect.

RESIDENTIAL - EXCLUSIVE OF SEAFORTH AND HENSALL

Monthly Service Charge	(per month)	\$14.41 ✓
Distribution Volumetric Rate	(per kWh)	\$0.01127 ✓
Cost of Power Rate	(per kWh)	\$0.07404

RESIDENTIAL- SEAFORTH

Monthly Service Charge	(per month)	\$15.75 ✓
Distribution Volumetric Rate	(per kWh)	\$0.01112 ✓
Cost of Power Rate	(per kWh)	\$0.07731

RESIDENTIAL - HENSALL

Monthly Service Charge	(per month)	\$6.26 ✓
Distribution Volumetric Rate	(per kWh)	\$0.00680 ✓
Cost of Power Rate	(per kWh)	\$0.0722

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$29.35 ✓
Distribution Volumetric Rate	(per kWh)	\$0.010780 ✓
Cost of Power Rate	(per kWh)	\$0.07297

GENERAL SERVICE < 50 KW (Time of Use)

Monthly Service Charge	(per month)	\$29.35
Distribution Volumetric Rate	(per kWh)	\$0.01078
Cost of Power - Winter Peak	(per kWh)	\$0.11173
Cost of Power - Winter Off Peak	(per kWh)	\$0.04165
Cost of Power - Summer Peak	(per kWh)	\$0.09340
Cost of Power - Summer Off Peak	(per kWh)	\$0.03090

Festival Hydro Inc.
Schedule of Rates and Charges - Page 2
 Effective March 1, 2002

RP-2002-0078
 EB-2002-0087

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	\$224.02 ✓
Distribution Volumetric Rate	(per kW)	\$1.82802 ✓
Cost of Power Demand Rate	(per kW)	\$7.76842
Cost of Power Energy Rate	(per kWh)	\$0.05163

GENERAL SERVICE > 50 KW (TIME OF USE) - Customer 1

Monthly Service Charge	(per month)	\$4,571.49 ✓
Distribution Volumetric Rate	(per kW)	\$3.317934 ✓
Cost of Power - Winter Peak	(per kW)	\$8.13568
Cost of Power - Summer Peak	(per kW)	\$6.15462
Cost of Power - Winter Peak	(per kWh)	\$0.06992
Cost of Power - Winter Off Peak	(per kWh)	\$0.04177
Cost of Power - Summer Peak	(per kWh)	\$0.05903
Cost of Power - Summer Off Peak	(per kWh)	\$0.03098

GENERAL SERVICE > 50 KW (TIME OF USE) - Customer 2

Monthly Service Charge	(per month)	\$3,789.43 ✓
Distribution Volumetric Rate	(per kW)	\$5.487310 ✓
Cost of Power - Winter Peak	(per kW)	\$0.60913
Cost of Power - Summer Peak	(per kW)	\$1.36653
Cost of Power - Winter Peak	(per kWh)	\$0.06992
Cost of Power - Winter Off Peak	(per kWh)	\$0.04177
Cost of Power - Summer Peak	(per kWh)	\$0.05903
Cost of Power - Summer Off Peak	(per kWh)	\$0.03098

LARGE USE

Monthly Service Charge	(per month)	\$10,868.16 ✓
Distribution Volumetric Rate	(per kW)	\$0.639660 ✓
Cost of Power - Winter Peak	(per kW)	\$12.02590
Cost of Power - Summer Peak	(per kW)	\$8.99294
Cost of Power - Winter Peak	(per kWh)	\$0.06886
Cost of Power - Winter Off Peak	(per kWh)	\$0.04119
Cost of Power - Summer Peak	(per kWh)	\$0.05815
Cost of Power - Summer Off Peak	(per kWh)	\$0.03058

Festival Hydro Inc.
Schedule of Rates and Charges - Page 3
 Effective March 1, 2002

RP-2002-0078
 EB-2002-0087

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	\$0.78 ✓
Distribution Volumetric Rate	(per kW)	\$3.47351
Cost of Power Demand Rate	(per kW)	\$20.08567 ²

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per connection)	\$0.48 ✓
Distribution Volumetric Rate	(per kW)	\$1.32471 ✓
Cost of Power - Winter	(per kW)	\$29.89623
Cost of Power - Summer	(per kW)	\$10.22420

UN-METERED SCATTERED LOADS

Monthly Service Charge	(per connection)	\$29.35 ✓
Distribution Volumetric Rate	(per kWh)	\$0.010780 ✓
Cost of Power Rate	(per kWh)	\$0.07297

SPECIFIC SERVICE CHARGES

New Account Setup		\$ 6.50
Change of Occupancy		\$ 6.50
Arrear's Certificate		\$ 6.50
Late payment charge	(per month)	1.50%
	(per annum)	19.56%
Returned Cheque		\$ 8.75
Collection of Account Charge		\$ 7.50
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours		\$ 19.25
At Meter - After Hours		\$ 42.50
Diversity Adjustment Credit (per KW)	Winter	\$ 2.22
(discontinued at Market Opening)	Summer	\$ 1.91
Transformer Ownership Allowance		
(per KW billing demand. Service at less than 115KV per KW)		\$ (0.60)



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.

055 Do not use this area

Identification

Business number (BN) (item 11) 001 89957 1814 RC 0001

Corporation's name (item 12)

002

FESTIVAL HYDRO INC.

COPY

Has the corporation changed its name since the last time we were notified?

003 ☐ Yes ☒ No

If yes, do you have a copy of the articles of amendment?

004 ☐ Yes ☐ No

Address of head office (item 13)

Has the address changed since the last time we were notified?

010 ☐ Yes ☒ No

011 187

012 Erie Street

City

Province, territory, or state

015 STRATFORD

016 ON

Country (other than Canada)

Postal code/Zip code

017

018 N5A 2M6

To which taxation year does this return apply? (item 17)

From 060 2002/01/01 to 061 2002/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year?

063 ☐ Yes ☒ No

If yes, provide date control was acquired

065

Is the corporation a professional corporation that is a member of a partnership? (item 18)

067 ☐ Yes ☒ No

Mailing address (if different from head office address) (item 14)

Has the address changed since the last time we were notified?

020 Yes ☐ No ☒

021 C/o

022 187

023 Erie Street

City

Province, territory, or state

025 STRATFORD

026 ON

Country (other than Canada)

Postal code/Zip code

027

028 N5A 2M6

Is this the first year of filing after:

Incorporation? (item 19)

070 ☐ Yes ☒ No

Amalgamation? (item 20)

071 ☐ Yes ☒ No

If yes, complete Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year? (item 21)

If yes, complete Schedule 24

072 ☐ Yes ☒ No

Is this the final taxation year before amalgamation? (item 22)

076 ☐ Yes ☒ No

Is this the final return up to dissolution? (item 23)

078 ☐ Yes ☒ No

Is the corporation a resident of Canada? (item 24)

080 ☒ Yes ☐ No

If no, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24)

082 ☐ Yes ☒ No

If yes, complete Schedule 91

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)

- 085 1 ☐ Exempt under 149(1)(e) or (i)
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

Guide item	Yes	Schedule
27 Is the corporation related to any other corporations?	150 ☒	9
28 Does the corporation have any non-resident shareholders?	151 ☐	19
29 Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160 ☒	23
30 Is the corporation an associated CCPC 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 an 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 <i>Income Tax Regulations</i> ?	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?	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 ☒	50
55 Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201 ☒	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 dividends or paid 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), (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 ☒	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 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/T665
124 Is the corporation subject to Part 1.3 tax?	233 ☒	33/34/35
124 Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236 ☐	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

Attachments - Continued from page 2

Guide item	Yes	Schedule
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
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

Additional information

Is the corporation inactive? (item 48)	280	1 Yes ☐	2 No ☒
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	281	1 Yes ☐	2 No ☒
What is the corporation's major business activity? (item 50) (Only complete if yes was entered at line 281.)	282		
If the major activity involves the resale of goods, indicate whether is is wholesale or retail (item 51)	283	1 Wholesale ☐	2 Retail ☒
Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)	284 ELECTRICAL DIST	285 100.000 %	
	286	287 %	
	288	289 %	
Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes ☐	2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)	300	2,481,867 A
Deduct: Charitable donations from Schedule 2 (item 78)	311	
Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	312	
Cultural gifts from Schedule 2 (item 80)	313	
Ecological gifts from Schedule 2 (item 81)	314	
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320	
Part VI.1 tax deduction from Schedule 43 (item 83)*	325	
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331	109,322
Net capital losses of preceding taxation years from Schedule 4 (item 85)	332	
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333	
Farm losses of prior taxation years from Schedule 4 (item 87)	334	
Limited partnership losses of prior years from Schedule 4 (item 88)	335	
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340	
Prospector's and grubstaker's shares (item 90)	350	
Subtotal	109,322	109,322 B
Subtotal (amount A minus amount B) (if negative, enter "0")		2,372,545 C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	355	D
Taxable income (amount C plus amount D) (item 92)	360	2,372,545
Income exempt under paragraph 149(1)(t) (item 93)	370	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)		Z

* If the taxation year ends after December 31, 2002, use "3" instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the T2 Corporation Income Tax Guide.

Small business deduction**Canadian-controlled private corporations throughout the taxation year**Income from active business carried on in Canada from Schedule 7 (item 95) 400 2,481,867 **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 (item 96)405 2,372,545 **B****Calculation of the business limit: (item 97)**

for all CCPCs, calculate the amount at line 4 below

\$200,000 x Number of days in the taxation year before 2003 365 = 200,000 **1**Number of days in the taxation year 365\$225,000 x Number of days in the taxation year in 2003 365 = 2 **2**Number of days in the taxation year 365\$250,000 x Number of days in the taxation year in 2004 365 = 3 **3**Number of days in the taxation year 365Add amounts at line 1, 2, and 3 200,000 **4**

Business limit (see notes 1 and 2 below)

410 200,000 **C****Notes:** 1. For CCPCs that are not 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: (item 98)Amount C 200,000 X 415 *** 57,465 **D** = 11,250 1,021,600 **E**

Reduced business limit (amount C minus amount E) (if negative, enter "0")

425 0 **F****Small business deduction - 16% of the least of amounts A, B, C, and F**430 0 **G**

(enter amount G of line 9 on page 7)

Accelerated tax reduction (item 99)**Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**Reduced business limit (amount from line 425) x = **A**Net active business income (amount from line 400)* **B**Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/4 of line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96) **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**Resource allowance (line 346 of Schedule 1) x 3 = **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, 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% 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.

General tax reduction for Canadian-controlled private corporations (item 101)**Canadian-controlled private corporations throughout taxation year**

Taxable income from line 360 page 3									2,372,545	A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =								B
Amount QQ from Part 13 of Schedule 27										C
Resource allowance (line 346 of Schedule 1)		x 3 =								D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)										E
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less										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")									2,372,545	J
Amount J	2,372,545	x	Number of days in the taxation year in 2001							
			Number of days in the taxation year	365	x 1% =					K
Amount J	2,372,545	x	Number of days in the taxation year in 2002	365	x 3% =			71,176		L
			Number of days in the taxation year	365						
Amount J	2,372,545	x	Number of days in the taxation year in 2003		x 5% =					M
			Number of days in the taxation year	365						
Amount J	2,372,545	x	Number of days in the taxation year after 2003		x 7% =					N
			Number of days in the taxation year	365						
General tax reduction for Canadian-controlled private corporations - total of amounts K, L, M and N									71,176	O
(enter amount O on line 638 of page 7)										

General tax reduction (item 102)**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 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
Resource allowance (line 346 of Schedule 1)		x 3 =								D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)										E
Total of amounts B, C, D and E										F
Amount A minus amount F (if negative, enter "0")										G
Amount G		x	Number of days in the taxation year in 2001							
			Number of days in the taxation year		x 1% =					H
Amount G		x	Number of days in the taxation year in 2002		x 3% =					I
			Number of days in the taxation year							
Amount G		x	Number of days in the taxation year in 2003		x 5% =					J
			Number of days in the taxation year							
Amount G		x	Number of days in the taxation year after 2003		x 7% =					K
			Number of days in the taxation year							
General tax reduction - total of amounts H, I, J and K										L
(enter amount L on line 639 of page 7)										

Refundable portion of Part I tax (item 103)**Canadian-controlled private corporations throughout the taxation year**Aggregate investment income 440 X 26 2/3 % = A

(Amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 **Deduct:**Foreign investment income 445 X 9 1/3 % = B
(Amount O from Part 1 of Schedule 7) (if negative, enter "0")Amount A minus amount B (if negative, enter "0") CTaxable income from line 360 on page 3 2,372,545**Deduct:**Least of amounts on lines 400, 405, 410, and 425
on page 4Foreign non-business income tax credit
from line 632 on page 7 x 25/9 = Foreign business income tax credit from
line 636 on page 7 x 10/4 = 2,372,545 X 26 2/3% = 632,679 DPart I tax payable minus investment tax credit refund
(line 700 minus line 780 on page 8) 619,708**Deduct** corporate surtax from line 600 on page 7 26,572Net amount 593,136 593,136 E**Refundable portion of Part I tax** - the least of amounts C, D, and E 450 0 F**Refundable dividend tax on hand (item 104)**Refundable dividend tax on hand at the end of the preceding tax year 460**Deduct** dividend refund for the previous taxation year 465 A**Add the total of:**Refundable portion of Part I tax from line 450 above Total Part IV tax payable from line 360 on page 2 of Schedule 3 Net refundable dividend tax on hand transferred from a predecessor
corporation on amalgamation, or from a wound-up subsidiary
corporation 480 B**Refundable dividend tax on hand at the end of the taxation year** - amount A plus amount B 485 0**Dividend refund (item 105)****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 3 305,000 X 1/3 101,667 ARefundable dividend tax on hand at the end of the taxation year from line 485 above B**Dividend refund** - Lesser of amounts A and B (enter this amount on line 784 on page 8) 0

Part I tax**Base amount of Part I tax** - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106)

550 901,567 A

Corporate surtax calculation (item 107)

Base amount from line A above 901,567 1

Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 237,255 2

Investment corporation deduction from line 620 below 3

Federal logging tax credit from line 640 below 4

Federal qualifying environment trust tax credit from line 648 below 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% of taxable income from line 360 on page 3 a

28% of taxed capital gains b 6

Part I tax otherwise payable
(line A plus line C and D minus line F) 593,136 c

Total of lines 2 to 6 237,255 7

Net amount (line 1 minus line 7) 664,312 8

Corporate surtax - 4% of the amount on line 8

600 26,572 B

Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108)

602 C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income (for a CCPC throughout the taxation year) (item 109)

Aggregate investment income from line 440 on page 6 i

Taxable income from line 360 on page 3 2,372,545

Deduct:

The least of amounts on lines 400, 405, 410, and 425 on page 4

Net amount 2,372,545 2,372,545 ii

Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amounts i or ii

604 D

Subtotal (add lines A, B, C, and D) 928,139 E

Deduct:

Small business deduction from line 430 on page 4 9

Federal tax abatement (item 110) 608 237,255

Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111) 616

Investment corporation deduction (item 112) 620

(Taxed capital gains 624)

Additional deduction - credit unions from Schedule 17 (item 113) 628

Federal foreign non-business income tax credit from Schedule 21 (item 114) 632

Federal foreign business income tax credit from Schedule 21 (item 115) 636

Accelerated tax reduction from amount N of page 4 (item 116) 637

General tax reduction for CCPC's from amount O of page 5 (item 117) 638 71,176

General tax reduction from amount L of page 5 (item 117) 639

Federal logging tax credit from Schedule 21 (item 118) 640

Federal political contribution tax credit (item 119) 644

Federal political contributions 646

Federal qualifying environmental trust tax credit (item 120) 648

Investment tax credit from Schedule 31 (item 121) 652

Subtotal 308,431 F

Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 122) 619,708 G

Summary of tax and credits**Federal tax**

Part I tax payable from page 7 (item 123)	700	619,708
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704	36,199
Part II surtax tax payable from Schedule 46 (item 125)	708	
Part IV tax payable from Schedule 3 (item 126)	712	
Part IV.1 tax payable from Schedule 43 (item 127)	716	
Part VI tax payable from Schedule 38 (item 128)	720	
Part VI.1 tax payable from Schedule 43 (item 129)	724	
Part XIII.1 tax payable from Schedule 92 (item 130)	727	
Part XIV tax payable from Schedule 20 (item 131)	728	
Total federal tax		655,907

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 132) **750 ON**
 (if more than one jurisdiction, enter "multiple" and complete Schedule 5)
 Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133) **760**
 Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147) **765**

Total tax payable 770 655,907 A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 148) **780**
 Dividend refund from Page 4 (items 149) **784**
 Federal capital gains refund from Schedule 18 (item 150) **788**
 Federal qualifying environmental trust tax credit refund (item 151) **792**
 Canadian film or video production tax credit refund from Form T1131 (item 152) **796**
 Film or video production services tax credit refund from Form T1177 (item 153) **797**
 Tax withheld at source (item 154) **800**
 Total payments on which tax has been withheld (item 154) **801**
 Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155) **804**
 Provincial and territorial capital gains refund from Schedule 18 (item 156) **808**
 Provincial and territorial refundable tax credits from Schedule 5 (item 157) **812**
 Royalties deductible under Syncrude Remission Order **815**
 Tax remitted under Syncrude Remission Order (item 158) **816**
 Tax instalments paid (item 159) **840**

Total credits 890 241,146
Balance (line A minus line B) 414,761 I

Refund Code **894** ☐ Overpayment (item 160)
 (item 160)

Direct Deposit Request (item 164)

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 (item 163) **414,761**
 Enclosed payment (item 162) **898**

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 is due? (item 161)

896 1 Yes ☐ 2 No ☒ NA ☐

Certification (item 165)

950 Zehr Surname **951** William First name **954** PRESIDENT Position, office or rank

955 2004/09/07 Date **956** (519) 271-4700 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 **959** () Telephone number

Language of correspondence - Langue de correspondance (item 166)

990 Language of choice/Langue de choix **1** English / Anglais ☒ **2** Français / French ☐

Canada Customs and Revenue Agency
Agence des douanes et du revenu du Canada**NET INCOME (LOSS) FOR INCOME TAX PURPOSES****Schedule 1**

- 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.

Net income (loss) after taxes and extraordinary items per financial statements A 1,618,933

Add:

Provision for income taxes - current	101	299,680	
Amortization of tangible assets	104	2,119,520	
Amortization of intangible assets	106	27,664	
Income/loss for tax purposes - joint ventures/partnerships	109	4,933	
Reserves from financial statements - balance at the end of the year	126	1,039,000	
Total of fields 101 to 199	500	3,490,797	▶ <u>3,490,797</u>

Deduct:

Capital cost allowance - Schedule 8	403	1,605,255	
Cumulative eligible capital deduction - Schedule 10	405	14,637	
Reserves from financial statements - balance at the beginning of the year	414	1,007,971	
Total of fields 401 to 499	510	2,627,863	▶ <u>2,627,863</u>

Net income (loss) for income tax purposes (enter on line 300 of the T2 return) 2,481,867

**DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID,
AND PART IV TAX CALCULATION****Schedule 3**

- This schedule is for use by any corporation to report:
 - non-taxable dividends under section 83;
 - deductible dividends under subsection 138(6);
 - taxable dividends deductible from income under section 112, subsection 113(2) and paragraph 113(1)(a),(b) or (d); or
 - taxable dividends paid for purposes of a dividend refund
- A recipient corporation is connected with a payer corporation at any time in the taxation year if the recipient corporation either (i) controls (other than because of a right referred to in paragraph 251(5)(b)) the payer corporation, or (ii) owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.

Part 1 - Dividends received during the year

A	B	C	D	E	F
Name of payer corporation	Connected?	Dividends from foreign source?	Dividends subject to Part IV tax?	Dividends deductible from income under s.112, 113, and 138(6)	Non-taxable dividends deductible under section 83
200	205			240	230
	N/A	N/A	N/A		

Complete if payer corporation is connected and a private or subject corporation				
G	H	I	J	K
Business number	Taxation year end of the payer corporation in which the dividend was paid	Total taxable dividends paid by connected corporation	Dividend refund of the connected corporation	Part IV tax before deductions **
210	220	250	260	270
RC		0	0	0

Total non-taxable dividends deductible under section 83

Total dividends deductible from income under sections 112, 113, and 138(6)

** For dividends received from non-connected corporations, Part IV tax = the amount entered in column E x 1/3

For dividends received from connected corporations, do the following calculation: Part IV tax = column E x column J / column I

Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

Public corporations (other than subject corporations) do not need to calculate Part IV tax.

Part 2 - Calculation of Part IV tax payable

Part IV tax before deduction (total of columns K in Part 1)

Deduct:

Part IV tax payable on dividends subject to Part IV tax

320

Subtotal

Deduct:

Current year non-capital losses claimed to reduce Part IV tax

330

Non-capital losses from prior years claimed to reduce Part IV tax

335

Current year farm losses claimed to reduce Part IV tax

340

Farm losses from prior years claimed to reduce Part IV tax

345

Total losses applied against Part IV tax

x 1/3 =

Part IV tax payable (enter amount on line 712 of the T2 return)

360

0

Part 3 - Taxable dividends paid in the taxation year for purposes of a dividend refund

A	B	C	D
Name of connected recipient corporation	Business number	Taxation year end of the connected recipient corporation in which the dividend was received	Taxable dividends paid to connected corporations
400	410	420	430
CITY OF STRATFORD	RC	2002/12/31	305,000
	RC		
Total taxable dividends paid in the taxation year to connected corporations (total of column D)			305,000

Total taxable dividends paid in the taxation year to other than connected corporations

450

Total taxable dividends paid for the purposes of a dividend refund

460

305,000

DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION**Part 4 - Total dividends paid in the taxation year**

Complete this part if the **total taxable dividends paid** for purposes of a dividend refund (line 460) above, is **different** from the **total dividends paid** in the taxation year.

Total dividends paid in the taxation year

500

Deduct:

Dividends paid out of capital dividend account	510
Capital gains dividends	520
Dividends paid on shares described in subsection 129(1.2)	530
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540
Deemed dividends paid on a small business development bond	550
Subtotal	

Taxable dividends paid for the purposes of a dividend refund

0

Schedule 4

Part 1 - Non-capital loss

Non-capital loss continuity by year

Non-capital loss continuity by year							
Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31	109,322					109,322	
2002/12/31							
Totals	109,322					109,322	

Current year non-capital loss

Net income (loss) for income tax purposes	2,481,867
Deduct:	
Net capital losses deducted in the year	
Taxable dividends deductible under sections 112, 113 or subsection 138(6)	
Amount of Part VI.1 tax deductible	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	
	Subtotal - if positive, enter "0"
Deduct: Section 110.5 - addition for foreign tax credits	
Add: Current year farm loss	
Current year non-capital loss (if positive, enter "0")	

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year		109,322	
Losses expired after 7 years	100 -		
Non-capital losses - beginning balance	102 =	109,322	109,322
Transfers from wind-up of wholly-owned subsidiary and amalgamation			105 +
Current year non-capital loss from above	110		
Deduct - Non-capital loss carry back to:			
1st preceding taxation year against taxable income	901		
2nd preceding taxation year against taxable income	902		
3rd preceding taxation year against taxable income	903		
1st preceding taxation year against taxable dividends subject to Part IV tax	911		
2nd preceding taxation year against taxable dividends subject to Part IV tax	912		
3rd preceding taxation year against taxable dividends subject to Part IV tax	913		
Current year non-capital loss net of carryback			+
		Subtotal	= 109,322
Deduct:			
Amount applied against taxable income (enter on line 331 of T2 return)	130	109,322	
Amount applied against dividends subject to Part IV tax	135		
Section 80 adjustments	140		
Other adjustments	150		
		109,322	- 109,322
Non-capital losses - ending balance			180 =

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.

**LIMITED PARTNERSHIP LOSSES****Schedule 4**

Current year limited partnership losses						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at risk amount	Corp's share of partnership ITC, farming losses and resource expenses	Column 4 - 5 if negative, enter "0"	Current year limited partnership losses Column 3 - 6
600	602	604	606	608		620
1 1225	2001/12/31					
Total (enter this amount on Schedule 1)						

Limited partnership losses from prior taxation years that may applied in the current year						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at end of preceding taxation year	Corporation's at risk amount	Corp's share of partnership ITC, business/property losses & resource expenses	Column 4 - 5 if negative, enter "0"	Limited partnership losses that may be applied in the year The lesser of columns 3 and 6
630	632	634	636	638		650
1 1225	2001/12/31		5,687		5,687	

Continuity of limited partnership losses that can be carried forward to future taxation years					
Partnership identifier	Losses at end of preceding taxation year	Losses transferred from amalgamation or wind-up of subsidiary	Current year limited partnership loss (from column 620)	Limited partnership losses applied (cannot exceed 650)	Limited partnership losses closing balance
660	662	664	670	675	680
1 1225					
Total (enter this amount on line 335 of the T2 return)					

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**CAPITAL COST ALLOWANCE****Schedule 8**Is the corporation electing under regulation 1101(5q)? 101 ☐ 1 Yes ☐ 2 No ☐

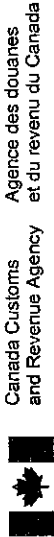
1 Class	2 UCC at start of year	3 Cost of additions in the year	4 Net adjustments	5 Proceeds of dispositions in the year	7 Adjustment for additions (1/2 x (col 3 - 5))	8 Base amount for CCA	9 Rate %	10 CCA for the year (col 8 x 9 or a lower amount)	11 Recapture of CCA	12 Terminal loss	13 UCC at the end of the year
200	201	203	205	207	211		212	217	213	215	220
1	3,387,955	216,557			108,279	3,496,233	4	139,849			3,464,663
1	3,493,799	522,659			261,330	3,755,128	4	150,205			3,866,253
1	2,748,199	180,587			90,294	2,838,492	4	113,540			2,815,246
1	3,550,220	412,315			206,158	3,756,377	4	150,255			3,812,280
1	5,032,516	562,015			281,008	5,313,523	4	212,541			5,381,990
1	1,960,964	205,493			102,747	2,063,710	4	82,548			2,083,909
1	972,650					972,650	4	38,906			933,744
1	521,070					521,070	4	20,843			500,227
1	873,084	48,425			24,213	897,296	4	35,892			885,617
8	80,183	3,576			1,788	81,971	20	16,394			67,365
10	45,312	72,076			36,038	81,350	30	24,405			92,983
12	81,373	43,188			21,594	102,967	100	102,967			21,594
10	403,089	22,888			11,444	414,533	30	124,360			301,617
8	95,328	23,201			11,601	106,928	20	21,386			97,143
8	32,208	23,523			11,762	43,969	20	8,794			46,937
8	20,916					20,916	20	4,183			16,733
8	17,589					17,589	20	3,518			14,071
2	316,059					316,059	6	18,964			297,095
2	380,095					380,095	6	22,806			357,289
2	3,624,575					3,624,575	6	217,475			3,407,100
2	1,007,553					1,007,553	6	60,453			947,100
2	378,567					378,567	6	22,714			355,853
2	204,291					204,291	6	12,257			192,034
Totals	29,227,595	2,336,503			1,168,256	30,395,842		1,605,255			29,958,843

S8Supp

Reconciliation of NBV and UCC

NBV of capital assets, beginning of year	27,572,439	
Less: Land	345,471	
NBV of depreciable capital assets, beginning of year	27,226,968	27,226,968
UCC beginning of year		29,227,595
Timing difference, beginning of year		(2,000,627) A
CCA and amortization		
CCA claimed	+ 1,605,255	
Terminal loss	+	
Recapture	-	
Amortization per financial statements	- 2,119,520	
Class 10.1		
Difference on purchase (cost _____ less ceiling _____)	+	
Beginning UCC less CCA in year of disposal	+	
NBV of class 10.1 asset prior to sale (proceeds, if financial statement gain)	-	
Gains and losses		
Gain on disposal of capital assets per financial statements	+	
Capital loss portion of total loss	+	
Loss on disposal of capital assets per financial statements	-	
Capital gain portion of total gain	-	
Other		
Operating leases capitalized for financial statement purposes		
Deductible items capitalized for financial statement purposes		
Section 85 difference		
Pre-valuation day depreciation		
DECLINE IN "CONTRIBUTED CAPITAL" NETTED AGAINST ASSETS	47,694	
Timing difference, current year	(466,571)	+ (466,571) B
Timing difference, end of year (A + B)		(2,467,198) C
Proof		
NBV of capital assets, end of year	27,841,196	
Less: Land	349,552	
NBV of depreciable capital assets, end of year	27,491,644	27,491,644
UCC end of year	29,958,843	
Less: Ending Class 14 balance	-	
Adjusted UCC	= 29,958,843	= 29,958,843
Timing difference as at 2002/12/31 (amount D should equal amount C)		(2,467,199) D

Notes



RELATED AND ASSOCIATED CORPORATIONS

Schedule 9

This form is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name	Country (if not Canada) 200	Business # (Canadian corporation only) 300	Code note 1 400	Common shares		Preferred shares		Book value of capital stock
				# owned	% owned	# owned	% owned	
FESTIVAL HYDRO SERVICES INC	200	86295 3726 RC 0001 3 RC	400	500	550	600	650	700
733,117								
Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated								

**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION****Schedule 10**

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - balance at beginning of taxation year (if negative, enter nil)	200	209,099	A
Add:			
Cost of eligible capital property acquired during the taxation year	222	B	
Transfer from predecessor or subsidiary corporation	224	C	
Other adjustments	226	D	
(add amounts B, C, and D)		x 3/4 =	E
Subtotal (amount A plus amount E)	230	209,099	F
Deduct:			
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	242	G	
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244	H	
Other adjustments	246	I	
(add amounts G, H, and I)		x 3/4 =	J
Cumulative eligible capital balance (amount F minus amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)		209,099	K
Current year deduction	amount K	209,099 x 7% =	L
(Deduct amount L on line 405 of Schedule 1)		250	14,637
Cumulative eligible capital balance at the end of the taxation year	300	194,462	M

Note: The maximum current year deduction is 7%. You can claim any amount up to the maximum. If your fiscal period starts after December 21, 2000, and is less than 365 days, prorate the calculation for line 250 by multiplying by the number of days in the year divided by 365.

Part 2 - Amount to be included in income arising from disposition

(complete this part only if line K is negative)

Amount from line K above (show as a positive amount)		N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	400	1
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)	401	2
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	402	3
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	408	4
Line 3 minus line 4	409	5
Total of lines 1, 2, and 5		6
Line T from schedule 10 of previous taxation years ending after February 27, 2000		7
Line 6 minus line 7		O
Line N minus line O (cannot be negative)		P
Amount on line 5 X 1/2		Q
Line P minus line Q		R
Amount on line R X 66.6667 *		S
Lessor of line N or line O		T
Amount to be included in income on line 108 of schedule 1, line S plus line T	410	

* For taxation years ending after February 27, and before October 18, 2000, use the fraction 8/9 to calculate line S

* For taxation years ending after October 17, 2000 use the fraction 2/3 to calculate line S

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**AGREEMENT AMONG ASSOCIATED CCPCs
TO ALLOCATE THE BUSINESS LIMIT****Schedule 23**

- 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 "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 cannot 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.

Allocation of the business limit

Date filed (for departmental use only)

025

Enter the calendar year to which the agreement applies

050

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 ☐ 1 Yes ☒ 2 No

1 Names of associated corporations	2 Business Number	3 Association code	4 Allocation of business limit *	5 Year end to which this agreement applies
100	200	300	400	500
FESTIVAL HYDRO INC.	89957 1814 RC 0001	1	200,000	
Festival Hydro Services Inc.	86295 3726 RC 0001	1		
	RC	0		
TOTALS			\$ 200,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box.

\$ 200,000

Names of all the corporations in the group	Last taxation year ending in the preceding calendar year				Current year
	Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part 1.3 tax for business limit reduction	Grossed-up reduced business limit
FESTIVAL HYDRO INC.			50,411	57,465	
Festival Hydro Services Inc.					
TOTALS	\$	\$	\$ 50,411	\$ 57,465	\$

* 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 364.

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 1.3 tax payable (before deduction of the surtax credits) for its last taxation year ending in the preceding calendar year. The amount to be entered at line 415 of the T2 return includes the gross Part 1.3 tax payable for each corporation that has an "associated code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Note: If the taxation year of any of the associated corporations was less than 51 weeks, the amount of gross Part 1.3 tax is the unprorated amount before the application of subsection 181.1(2).

**FIRST TIME FILER AFTER INCORPORATION,
AMALGAMATION, OR BY PARENT
WINDING-UP A SUBSIDIARY****Schedule 24**

This schedule must be filed by corporations for the first year of filing after incorporation, amalgamation, or by parent corporations filing for the first time after winding-up a wholly owned subsidiary corporation(s) under section 88 of the *Income Tax Act* during the current taxation year.

Part 1 - Type of operation

100 For those corporations filing for the first time after incorporation or amalgamation, please identify the type of operation that applies to your corporation:

☐ 01 Crown corporation that is an agent of Her Majesty	☐ 10 Mutual fund corporation
☐ 02 Life insurance corporation	☐ 11 Mortgage investment corporation
☐ 03 Deposit insurance corporation	☐ 12 Traveling corporation
☐ 04 General insurance corporation	☐ 13 Subject corporation
☐ 05 Co-operative corporation	☐ 14 Labour-sponsored venture capital corporation
☐ 06 Credit union	☐ 15 Investment corporations subject to Part IV tax
☐ 07 Bank	☐ 16 Crown corporation that is not an agent of Her Majesty
☐ 08 Non-resident owned investment corporation	☐ 17 Non-resident insurer exempt from Part XIII withholding tax
☐ 09 Investment corporation	☒ 99 Other - if none of the previous descriptions apply

Part 2 - First year of filing after amalgamation

For the first year of filing after an amalgamation, please provide the following information

Name of predecessor corporation(s)	Business number (Canadian corporations only)
200	300
	RC

Part 3 - First year of filing after wind-up of subsidiary corporation(s)

For the parent corporation filing for first time after winding-up a subsidiary corporation(s) under section 88 of the *Income Tax Act*, please provide the following information:

Name of subsidiary corporation(s)	Business number (Cdn corporations only)	Commencement date of wind-up	Date of wind-up
400	500	600	700
	RC		

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**PART 1.3 TAX ON LARGE CORPORATIONS****Schedule 33**

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part 1.3 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 1.3 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 1.3 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 1.3 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 1.3 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

Capital stock (or members' contributions if incorporated without share capital)

103

19,637,111

Retained earnings

104

1,429,763

Contributed surplus

105

Any other surpluses

106

Deferred unrealized foreign exchange gains

107

All loans and advances to the corporation

108

All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations

109

15,600,000

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

1,231,524

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

37,898,398

37,898,398 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

37,898,398

PART 1.3 TAX ON LARGE CORPORATIONS**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
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 1.3 (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

Part 3 - Taxable capital

Capital for the year (line 190)	37,898,398	C
Deduct: Investment allowance for the year (line 490)		D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500 37,898,398	

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)	Taxable income earned in Canada	Taxable capital employed in Canada
37,898,398	610 2,372,545	690 37,898,398
	Taxable income	2,372,545

- 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 the 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

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 I.3 TAX ON LARGE CORPORATIONS**Part 5 - Calculation of gross Part I.3 tax**

Taxable capital employed in Canada (line 690 or 790, whichever applies)		37,898,398
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 27,898,398
Line 811	27,898,398 x $\frac{\text{Number of days in the taxation year before 2004}}{\text{Number of days in the taxation year}}$ $\frac{365}{365}$ x 0.00225 =	62,771 F
Line 811	27,898,398 x $\frac{\text{Number of days in the taxation year in 2004}}{\text{Number of days in the taxation year}}$ $\frac{\quad}{365}$ x 0.002 =	G
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 and G)		62,771 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	X Number of days in the year ($\frac{\quad}{365}$) =	L
Gross Part I.3 tax (amount K or L, whichever applies)		820 62,771

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)		37,898,398 M
Deduct:	Line 801 above 10,000,000	10,000,000 N
Excess (amount M minus amount N) (if negative, enter "0")		27,898,398 O
Amount O	27,898,398 x 0.00225 =	62,771 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	x Number of days in the year ($\frac{\quad}{365}$) =	Q
Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies)		821 62,771

PART 1.3 TAX ON LARGE CORPORATIONS**Part 7 - Calculation of current year surtax credit available**

- Corporations can claim a credit against their Part 1.3 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 your T2 return	26,572	x (line 690 ÷ line 500)	=	26,572	c	
d) line 700 from the T2 return				619,708	d	S

Current year surtax credit available (amount R or S, whichever applies)	830	26,572

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)	26,572

Less: Gross Part 1.3 tax for purposes of the unused surtax credit (line 821)	62,771

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 1.3 tax payable

Gross Part 1.3 tax (line 820)	62,771	T

Deduct:

Current-year surtax credit applied (line 820 or 830, whichever is less)	861	26,572

Unused surtax credit from previous years applied (amount from line 320 on Schedule 37)	862	

Subtotal (cannot be more than amount on line 820)	26,572	U

Net Part 1.3 tax payable (amount T minus amount U)	870	36,199

Enter this amount at line 704 of the T2 return.

**SHAREHOLDER INFORMATION****Schedule 50**

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 100	Business Number * 200	Social Insurance Number * 300	Percentage common shares 400	Percentage preferred shares 500
Corporation of the City of Stratford	RC		100.000	100.000
	RC			

* If the shareholder is a trust, enter NR at field 200 or NA at field 300.



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

2001 CT23 Corporations Tax and Annual Return

(Revised)

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)

2002

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the 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 3-18, together with the applicable schedules on pages 19-22. **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 on pages 23 and 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? (Refer to Guide) Yes ☐ No ☒

Page 1 of 24

COPY

Corporation's legal name and mailing address FESTIVAL HYDRO INC. 187 Erie Street City STRATFORD Province ON Country CA Postal code N5A 2M6				Ontario Corporations Tax Account No. (MOF) 1800294 This CT23 Return covers the Taxation Year Start 2002/01/01 End 2002/12/31
Has address changed since last filed return? Yes ☐ No ☒		Date of change	Date of Incorporation or Amalgamation 2000/07/11	
Registered/Head Office Address 187 Erie Street City STRATFORD Province ON Country CA Postal code N5A 2M6		Ontario Corporation No. (MCBS) 1484983		
Location of books and records 187 Erie Street City STRATFORD Province ON Country CA Postal code N5A 2M6		Canada Customs and Revenue Agency Business No. 899571814RC0001		
Name of person to contact regarding this Return William Zehr	Telephone no. (519) 271-4700	Fax no. (519) 271-7204	Jurisdiction Incorporated ONTARIO	
Address of Principal Office in Ontario (Extra-Provincial Corporations only) City Province Country Postal code			If not incorporated in Ontario, indicate date Ontario business activity commenced and ceased: Commenced Ceased (Not Applicable) ☒	
Former Corporation Name (Extra-Provincial Corporations only) 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			Preferred Language / Langue de préférence English ☒ anglais French ☐ français	
If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check ☒ this box. Schedule(s) A and K are not required (MCBS). No Change ☐			Ministry Use 	
Certification (MCBS) I certify that all information set out in the Annual Return is true, correct and complete. Name of Authorized Person William Zehr Title: ☐ Director ☒ Officer ☐ 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.				

Taxation Year End

**Exempt From Filing (EFF)
Corporations Tax Return Declaration****Page 2 of 24**

Corporation's Legal Name

Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

The above corporation satisfies **all** of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

Criteria for exempt from filing status:

- a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;
- b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);
- c) had no Ontario Corporations Tax payable for the taxation year;
- d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the *Income Tax Act*(Canada));
- e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and
- f) is NOT subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed \$5 million or whose total revenues exceed \$10 million for the taxation year).

NOTE 1: Filing of this declaration and the Annual Return does NOT constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.

Signature

Title/Relationship to Corporation

Telephone number

Date

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

NOTE 2: EFF corporations filing losses to be carried back and applied to prior years or applied to future years, **must file a tax return** completed with all the related schedules for the taxation year of the loss and for the taxation year to which the loss is being applied.

The following 3 items **MUST** be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is also being filed, completion of these fields is NOT necessary

1. Corporation's Mailing Address

City	Province	Country	Postal code

**2. Ontario Corporation
No. (MCBS)**

**3. Canada Customs and Revenue Agency
Business No.**
 RC

A corporation **must file** an **Exempt From Filing Corporations Tax Return Declaration** form for each taxation year that the corporation is exempt from filing, within 6 months after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to **ALL** of the following criteria you are eligible to file the **CT23 Short-Form Corporations Tax Return**. To obtain a copy contact the Revenue Operations and Client Services Branch. (Refer to Guide)

Yes No

☒ ☐

(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year.

Indicate Share Capital with full

voting rights owned by Canadian Residents 100 % (nearest whole percent)☐ ☒

(b) The corporation's taxable income for the taxation year is \$200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (Refer to guide)

☐ ☒

(c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.

☐ ☒(d) The corporation's taxation year ends on or after January 1, 2000 and its gross revenue and total assets are each \$1,000,000 or less and the corporation is not a financial institution; **OR** The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each \$1,500,000 or less and the corporation is not a financial institution.☐ ☒

(e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).

☒ ☐

(f) The corporation's Ontario allocation factor is 100%.

NOTE: Family Farm or Fishing corporations that have a year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax, may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to (a),(b),(c), (e) and (f) above.

CT23 Corporations Tax Return

Page 3 of 24

Identification continued (for CT23 filers only)

Type of Corporation - Please check (✓) box(es) if applicable in sections 1 & 2

- 1** ☒ **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** ☐ **2** ☐ Other Private
- 3** ☐ **3** ☐ Public
- 4** ☐ **4** ☐ Non-share Capital
- 5** ☐ **5** ☐ Other (specify)
- Share Capital with full voting rights owned by Canadian residents. (nearest %) 100 %

- 2** ☐ **1** ☐ Family Farm Corporation s.1(2)
- 2** ☐ **2** ☐ Family Fishing Corporation s.1(2)
- 3** ☐ **3** ☐ Mortgage Investment Corp s.47
- 4** ☐ **4** ☐ Credit Union s.51
- 5** ☐ **5** ☐ Bank Mortgage Subsidiary s.61(4)
- 6** ☐ **6** ☐ Bank s.1(2)
- 7** ☐ **7** ☐ Loan and Trust Corporation s.61(4)
- 8** ☐ **8** ☐ Non-resident Corp s.2(2)(a) or (b)
- 9** ☐ **9** ☐ Non-resident Corporation s.2(2)(c)
- 10** ☐ **10** ☐ Mutual Fund Corporation s.48
- 11** ☐ **11** ☐ Non-resident owned investment Corp s.49
- 12** ☐ **12** ☐ Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14** ☐ **14** ☐ Bare Trustee Corporation
- 15** ☐ **15** ☐ Branch of Non-resident s.63(1)
- 16** ☐ **16** ☐ Financial institutions prescribed by Regulation only
- 17** ☐ **17** ☐ Investment Dealer
- 18** ☐ **18** ☐ Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19** ☒ **19** ☒ Hydro successor, Municipal Electrical Utility or subsidiary of either
- 20** ☐ **20** ☐ Producer and seller of steam for uses other than for the generation of electricity
- 21** ☐ **21** ☐ Insurance Exchange s.74.4
- 22** ☐ **22** ☐ Farm Feeder Finance Co-operative Corporation
- 23** ☐ **23** ☐ Professional Corporation (incorporated professionals only)

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

Please check (✓) box(es) if applicable:

- ☐ **First Year of Filing**
- ☐ **Final Taxation Year up to Dissolution (wind-up)**
- ☐ **Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario**
- ☐ **Amended Return**
- ☐ **Final Taxation Year before Amalgamation**
- ☐ **Acquisition of Control fed s.249(4)**
- ☐ **Taxation Year End has changed - Canada Customs and Revenue Agency approval required**
- ☐ **Floating Fiscal Year End**
- Date control was acquired:**

Was the corporation inactive throughout the taxation year?

Yes ☐ No ☒

Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?

Yes ☒ No ☐

Are you requesting a refund due to: the Carry-back of a Loss?

Yes ☐ No ☒

an Overpayment?

Yes ☐ No ☒

a Specified Refundable Tax Credit?

Yes ☐ No ☒

Are you a Member of a Partnership or a Joint Venture?

Yes ☐ No ☒

Income Tax

Page 4 of 24

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 ±	2,481,867
Subtract: Charitable donations	1 -	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule)	2 -	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	3 -	
Subtract: Ontario political contributions (Attach schedule)	4 -	
Subtract: Federal Part VI.1 tax	5 -	
Subtract: Prior years' losses applied - Non-capital losses	From 704 -	296,681
	From 715	
Net capital losses (page 17)	X rate	50.000000 % 714 -
Farm losses	From 724 -	
Restricted farm losses	From 734 -	
Limited partnership losses	From 754 -	
	10 =	2,185,186

Taxable income (Non-capital loss)

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 =

2,185,186

Taxable Income**Number of days in Taxation Year**

			Days after May 1, 2000 and before Jan 1, 2001	Total days	
From 10 (or 20)	2,185,186	X 30	100.0000 % X 14.5 % X 24	365	= 25+
		Ontario Allocation	Days after Dec 31, 2000 and before Oct 1, 2001	365	= 27+
From 10 (or 20)	2,185,186	X 30	100.0000 % X 14.0 % X 26	365	= 27+
		Ontario Allocation	Days after Sept 30, 2001 and before Jan 1, 2003	365	= 29+
From 10 (or 20)	2,185,186	X 30	100.0000 % X 12.5 % X 28	365	= 29+
		Ontario Allocation	Days after Dec 31, 2002 and before Jan 1, 2004	365	= 32+
From 10 (or 20)	2,185,186	X 30	100.0000 % X 11.0 % X 31	365	= 32+
		Ontario Allocation			

Taxable Income Payable (before deduction of tax credits) 25 + 27 + 29 + 32

40 = 273,148

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 year? (✓) ☒ Yes ☐ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))

50 2,481,867

Federal taxable income, less adjustment for foreign tax credit

(fed.s.125(1)(b))

51 + 2,372,545

Add: Losses of other years deducted for federal purposes (fed.s.111)

52 + 109,322

Subtract: Losses of other years deducted for Ontario purposes (s.34)

53 - 296,681

= 2,185,186 54 2,185,186

Federal Business limit for the year before application of fed.s.125(5.1)

(not exceeding \$200,000) (Attach T2 SCH 23 if associated)

55 + 200,000

Add: Ontario enhancement of federal business limit

Number of days in Taxation Year

	Days from 26 above	Total Days	From	
40,000 X	÷ 73	365	X 55	200,000 ÷ 200,000 42+
80,000 X	365 ÷ 73	365	X 55	200,000 ÷ 200,000 43+ 80,000
120,000 X	÷ 73	365	X 55	200,000 ÷ 200,000 46+
Ontario enhancement of federal business limit	42 + 43 + 46			= 80,000

44+ 80,000

= 280,000 45 280,000

Business Limit for Ontario purposes 55 + 44**Income eligible for the IDSBC**

From 30 100.0000 % X

56 280,000

60 = 280,000

*Ontario Allocation

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)).

		Number of Days in Taxation Year			
		Days after Dec 31, 1999 and before Oct 1, 2001	Total Days		
Calculation of IDSBC Rate	7.5% X 76	÷ 73	365	77 +	
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
	6.5% X 28	365 ÷ 73	365	79 +	6.5000
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days		
	5.5% X 31	÷ 73	365	89 +	
IDSBC Rate for Taxation Year 77 + 79 + 89				78 =	6.5000
Claim	From 60	280,000 X	From 78	6.5000 %	70 = 18,200

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 + 2,185,186

If you are a member of an associated group (✓) 81 ☒ (Yes)

Taxable income of associated corporations (Attach schedule)

82 +
85 = 2,185,186

Aggregate Taxable Income

		Number of days in Taxation Year			
		Days before Jan 1, 2001	Total Days		
Subtract: 200,000 X 558	÷ 73	365 =	111 +		
		Days after Dec 31, 2000 and before Oct 1, 2001	Total Days		
240,000 X 26	÷ 73	365 =	112 +		
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
280,000 X 28	365 ÷ 73	365 =	113 +	280,000	
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days		
320,000 X 31	÷ 73	365 =	115 +		
111 + 112 + 113 + 115				=	280,000 ▶
(If negative, enter nil)				114 -	280,000
				86 =	1,905,186

		Number of Days in Taxation Year			
		Days after Dec 31, 1999 and before Oct 1, 2001	Total Days		
Calculation of Specified Rate for Surtax	5.0% X 76	÷ 73	365	93 +	
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
	4.333% X 28	365 ÷ 73	365	95 +	4.3330
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days		
	3.667% X 31	÷ 73	365	96 +	
Specified rate of surtax for Taxation Year 93 + 95 + 96				94 =	4.3330
From 86	1,905,186 X	From 94	4.3330 % =	87 =	82,552
From 87	82,552 X	From 60	280,000 + From 114	88 =	82,552
Surtax: Lesser of 70 or 88				100 =	18,200

Additional Deduction for Credit Unions (s.51(4)) (Attach schedule)

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 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

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From **120 +** 280,000

Add: Adjustment for Surtax on Canadian-controlled private corporations

From **100** 18,200 ÷ From **30** 100.0000 % ÷ From **78** 6.5000 % = **121** 280,000

*Ontario Allocation

Lesser of 56 or 121

120 - 56 + 122

122 + 280,000

130 =

Taxable income

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From **10 +** 2,185,186

Add: Adjustments for Surtax on Canadian-controlled private corporations From **56 -** 280,000

Subtract: Taxable income **10** X Allocation % to jurisdictions outside Canada From **122 +** 280,000

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses **140 -**

10 - 56 + 122 - 140 - 141 **141 -**

142 = 2,185,186

Number of Days in Taxation Year

Claim **143** X From **30** 100.0000 % 2.0% X **152** ÷ **73** 365 = **153 +**
*Ontario Allocation

Claim **143** X From **30** 100.0000 % 1.5% X **28** 365 ÷ **73** 365 = **154 +**
*Ontario Allocation

Claim **143** X From **30** 100.0000 % 1.0% X **31** 365 ÷ **73** 365 = **155 +**
*Ontario Allocation

M&P claim for taxation year **153 + 154 + 155**

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

Note: The M&P for corporations that generate electrical energy for sale, or produce steam for use in the generation of electrical energy for sale, or produce steam for uses other than the generation of electricity, has not yet received legislative authority at the time of printing. (Refer to Guide.)

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

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 = 273,148

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 +

Co-operative Education Tax Credit (CETC) (s.43.4) *Applies* to employment of eligible students.Eligible credit from **5798** Summary Schedule F

192 +

Ontario Film and 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 Corp.

(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

193 +

Graduate Transitions Tax Credit (GTTC) (s.43.6)*Applies* to employment of eligible unemployed graduate students.No. of Graduates from **6596**Eligible Credit from **6598** Summary Schedule G

194

195 +

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 +

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 Corp.

(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)

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 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 +

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 +

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)*Applies* to qualifying expenditures in respect to eligible Canadian sound recordings.Eligible Credit from **7500** OSRTC Claim Form (Attach *only* the original Claim Form. Retain the Certification Form)

201 +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201

220 =

Specified Tax Credits Applied to reduce Income Tax

225 =

Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss

230 = 273,148

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)

Page 8 of 24

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** + 43,696,907* **Total Revenue of the corporation** **241** + 51,582,022**If you are a member of an associated group** (✓) **242** ☒ (Yes)Total Assets of associated corporations (Attach schedule) **243** + 1,317,091Total Revenue of associated corporations (Attach schedule) **244** + 345,795Aggregate Total Assets **249** = 45,013,998Aggregate Total Revenue **250** = 51,927,817If 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** 1,631,819 X From **30** 100.0000 % X 4% **276** = 65,273
If negative, enter zero Ontario AllocationSubtract: Foreign Tax Credit for CMT purposes (Attach schedule) **277** =Subtract: Income Tax From **190** - 273,148**Net CMT Payable** (if negative, enter Nil on page 18.) **280** =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** =**Application of CMT Credit Carryovers****A. Income Tax (before deduction of specified credits)** From **190** + 273,148Gross CMT payable From **276** + 65,273Subtract: Foreign Tax Credit for CMT purposes From **277** -If **276 - 277** is negative, enter NIL in **290** = 65,273 ▶**Income Tax eligible for CMT Credit** **290** - 65,273**300** = 207,875**B. Income Tax (after deduction of specified credits)** From **230** + 273,148Subtract: CMT credit used to reduce income taxes **310** -**Income Tax** **320** = 273,148

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+	19,637,111
Retained earnings (if deficit, deduct)	351±	1,429,763
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	352+	
Loans and advances (Attach schedule)	353+	15,792,524
Bank loans	354+	
Bankers acceptances	355+	
Bonds and debentures payable	356+	
Mortgages payable	357+	
Lien notes payable	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 corporation tax)	359+	
Contingent, investment, inventory and similar reserves	360+	
Other reserves not allowed as deductions for income tax purposes (Attach schedule)	361+	1,039,000
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s))	362+	
Subtotal	370=	37,898,398
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.)	371-	
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	372-	
Total Paid-up Capital	380=	37,898,398
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	381-	
Net Paid-up Capital	390=	37,898,398

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)

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)

Mortgages due from other corporations

Shares in other corporations (certain restrictions apply) (Refer to Guide)

Loans and advances to unrelated corporations

Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)

Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)

Total Eligible Investments	410=	2,400,574

Total Assets

Page 10 of 24

Total Assets per balance sheet	420 +	43,696,907
Mortgages or other liabilities deducted from assets	421 =	
Share of partnership(s)/joint venture(s) total assets (<i>Attach schedule</i>)	422 +	
Subtract: Investment in partnership(s)/joint venture(s)	423 -	
Total Assets as adjusted	430 =	43,696,907
Amounts in 360 and 361 (if deducted from assets)	440 +	
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 =	43,696,907

Investment Allowance (410 + 450) X 390

Not to exceed 410 460 = 2,082,022

Taxable Capital 390 - 460

470 = 35,816,376

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation 51,582,022

Corporation's Share of partnership(s)/joint venture(s) Gross Revenue (*Attach schedule*)

Aggregate of Gross Revenue 51,582,022 480 = 51,582,022

Total Assets (as adjusted) From 430 43,696,907**Calculation of Capital Tax for all corporations except Financial Institutions***Note: This version (2001) 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 on pages 10 to 11 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 on page 12. Next review, and if applicable, complete Section D on page 12. If Section D is not applicable review Section E on page 13 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 ends 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 of the 2001 CT23 are both \$3,000,000 or less, enter NIL in 550 on page 13 of the 2001 CT23 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.

B5. If taxable capital, 470 on page 10, exceeds \$2,000,000 but is \$5,000,000 or less, complete the following calculations and transfer the total from 508 to 543 on page 13 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(a) From 470 _____ x 0.3% = 490 + _____
Deduct:
 From 470 _____
 (\$2,800,000 - _____) x 0.75% = 493 - _____ (NIL if negative)
 Days in taxation year after Dec 31, 1999 and before Jan 1, 2001
 (506 = 490 - 493) 506 = _____ x From 30 _____ % x 553 _____ = 507 + _____
 Ontario Allocation **365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(b) From 470 _____ x 0.3% = 490 + _____
Deduct:
 From 470 _____
 (\$3,200,000 - _____) x 0.5% = 495 - _____ (NIL if negative)
 Days in taxation year after Dec 31, 2000 and before Oct 1, 2001
 (509 = 490 - 495) 509 = _____ x From 30 _____ % x 558 _____ = 522 + _____
 Ontario Allocation ** 365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(c) Capital Tax for that portion of a taxation year 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 507 + 522 _____ **508 =** _____
 Transfer to 543 on Page 13 and complete the return from that point.

B6. If taxable capital, 470 on page 10 exceeds \$5,000,000, complete the following calculation and transfer the amount from 508 to 543 on page 13 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 _____ x From 30 _____ x 0.3% x 559 _____ = 502 + _____
 Days in taxation year before October 1, 2001
 Ontario Allocation **365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) + From 470 _____
 - 5,000,000
 = 471 _____ x From 30 _____ x 0.3% x 560 _____ = 523 + _____
 Days in taxation year after September 30, 2001
 Ontario Allocation **365/366

Total Capital Tax for the taxation year 502 + 523 _____ **508 =** _____
 Transfer to 543 and complete the return from that point.

** If floating taxation year, refer to Guide

SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following, and (✓) 510 ☒ (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation

From 470 + 35,816,376

Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations (Attach schedule)

531 + 1,253,041

Aggregate Taxable Capital 470 + 531

540 = 37,069,417

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(c) 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 35,816,376 ÷ From 540 37,069,417 X 5,000,000

541 = 4,830,987

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

Taxable Capital of associated corporations (Attach schedule)

514 +

Total Aggregate Taxable Capital 540 + 514

520 = 37,069,417

If 520 above 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 ÷ From 520

521 =

Transfer to section E1(a) and/or (b) as applicable

Note: 521 cannot exceed 1.00000

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 is \$2,000,000 or less.

Enter NIL in 550 on page 13 and complete the return from that point.

SECTION E

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 on page 12, exceeds \$2,000,000.

E1. If 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 December 31, 1999 and before January 1, 2001

(a) From 470 _____ x 0.3% _____ = 490 + _____
Deduct:
 From 520 _____ From 521 _____
 (\$2,800,000 - _____) x 0.75% x _____ = 493 - _____
 (506 = 490 - 493) 506 = _____
 x 30 _____ % x 553 _____ = 507 + _____
 Ontario Allocation **365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(b) From 470 _____ x 0.3% _____ = 490 + _____
Deduct:
 From 520 _____ From 521 _____
 (\$3,200,000 - _____) x 0.5% x _____ = 495 - _____
 (509 = 490 - 495) 509 = _____
 x 30 _____ % x 557 _____ = 522 + _____
 Ontario Allocation **365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(c) 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. 523 + _____ 0

Total Capital Tax for the taxation year 507 + 522 + 523

508 = _____
 Transfer to 543 and complete the return from that point

E2. If the aggregate taxable capital 520 on page 12, exceeds \$3,200,000 complete the following calculation and transfer the amount from 508 to 543 on this page, 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 35,816,376 x _____ From 30 100,000 x 0.3% x 555 _____ = 502 + _____
 Days in taxation year before Oct. 1, 2001
 Ontario Allocation 365/366

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) + From 470 35,816,376
 - From 541 4,830,987
 471 30,985,389 x _____ From 30 100,000 x 0.3% x 560 _____ = 523 + _____ 92,956
 Days in taxation year after September 30, 2001 =
 Ontario Allocation 365/366

Total Capital Tax for the taxation year 502 + 523

508 = _____ 92,956

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 = _____ 92,956

Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)

546 = _____

Capital Tax: 543 - 546

550 = _____ 92,956

Transfer to Page 18

Calculation of Capital Tax for Financial Institutions

Page 14 of 24

I.1. Credit Unions OnlyFor 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 x 0.6% x From **30** % x **555** + **365/366 = **569** +
 Lesser of adjusted TPUC
 and Basic Capital Amount
 in accordance with
 Division B.1 Ontario Allocation

570 x **571** x From **30** % x **555** + **365/366 = **574** +
 Adjusted TPUC Capital Tax Rate
 in accordance with (Refer to Guide) Ontario Allocation
 Division B.1 in excess
 of Basic Capital Amount

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574**575** **** If floating taxation year, refer to Guide****II. Small Business Investment Tax Credit**

(Retain details of eligible investment calculations 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)? ☒ **Yes****Capital Tax - Financial Institutions 575 - 585****586** Transfer to **543** on Page 13**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 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 ± 2,481,867
Transfer to Page 16**Add:**

Federal capital cost allowance	601 +	1,605,255
Federal cumulative eligible capital deduction	602 +	14,637
Ontario taxable capital gain	603 +	
Federal non-allowable reserves, Balance beginning of year	604 +	1,007,971
Federal allowable reserves, Balance end of year	605 +	
Ontario non-allowable reserves, Balance end of year	606 +	1,039,000
Ontario allowable reserves, Balance beginning of year	607 +	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608 +	
Federal resource allowance	609 +	
Federal depletion allowance	610 +	
Federal foreign exploration and development expenses	611 +	
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

Number of days in Taxation Year

Days after
May 1, 2000 and
before Jan 1, 2001 Total days

612 _____ X 5/14.5 X 24 _____ ÷ 73 365 = + 631 _____

Days after Dec 31, 2000
and before Oct. 1, 2001 Total days

612 _____ X 5/14.0 X 26 _____ ÷ 73 365 = + 632 _____

Days after Sept. 30, 2001
and before Jan. 1, 2003 Total days

612 _____ X 5/12.5 X 28 365 ÷ 73 365 = + 633 _____

Days after Dec. 31, 2002
and before Jan. 1, 2004 Total days

612 _____ X 5/11.0 X 31 _____ ÷ 73 365 = + 634 _____

Total add-back amount for Management fees, etc. 631 + 632 + 633 + 634 = ▶ 613 +

Federal Scientific Research Expenses claimed in year from fed form T661 615 +

Federal allowable business investment loss 620 +

Total of other items not allowed by Ontario but allowed federally (Attach schedule) 614 +

Sub Total of Additions 601 to 615 + 620 = 3,666,863 640 3,666,863
Transfer to Page 16

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

From 600 ± 2,481,867

Sub Total of Additions

From 640 = 3,666,863

Deduct:

Ontario capital cost allowance	650 + 1,605,255
Ontario cumulative eligible capital deduction	651 + 14,637
Federal taxable capital gain	652 +
Ontario non-allowable reserves. Balance beginning of year	653 + 1,007,971
Ontario allowable reserves. Balance end of year	654 +
Federal non-allowable reserves. Balance end of year	655 + 1,039,000
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	659 +
Ontario research and development super allowance (Attach schedule)	660 +
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 +
Ontario current cost adjustment (Attach schedule)	661 +
Ontario Scientific Research Expenses claimed in year from Ont form CT161	679 +

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:

From Gross-up of CCA

662 x 100/ 30 100.0000 - From 662 663 =

Ontario allocation

Workplace Child Care Tax Incentive: (Applies to qualifying expenditures incurred after May 5, 1998)

Qualifying expenditures 665 x 30% x 100/ 30 100.0000 666 =

Ontario Allocation

Workplace Accessibility Tax Incentive: (Applies to qualifying expenditures incurred after July 1, 1998)

Qualifying expenditures: 667 x 100% x 100/ 30 100.0000 668 =

Ontario Allocation

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI): (Applies to the eligible acquisition of school buses made within the 3 year period commencing after May 4, 1999.) (Refer to Guide)

Qualifying expenditures 670 x 30% x 100/ 30 100.0000 671 =

Ontario Allocation

Educational Technology Tax Incentive (Applies to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures 672 x 15% x 100/ 30 100.0000 673 =

Ontario Allocation

Ontario allowable business investment loss 678 +

Total of other deductions allowed by Ontario (Attach schedule) 664 +

Sub Total of Deductions 650 to 660 + 674 + 661 + 679 + 663 + 666 + 668 + 671 + 673 + 678 + 664 = 3,666,863 680 3,666,863

Net income (loss) for Ontario purposes 600 + 640 - 680

690 = 2,481,867

Transfer to Page 4

Continuity of Losses Carried Forward

Page 17 of 24

	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) 296,681	710 (2)	720 (2)	730	740	750
Add:	701	711	721	731	741	751
Current year's losses (7)						
Losses from predecessor corporations (3)	702	712	722	732		752
	703	713	723	733	743	753
Subtotal						
Subtract:	704	715 (4)	724	734 (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	296,681					
Expired during the year	705		725	735	745	
Carried back to prior years to reduce income (5)	706 (2) To Pg 18	716 (2) To Pg 18	726 (2) To Pg 18	736 (2) To Pg 18	746	
	707	717	727	737	747	757
Subtotal	296,681					
Balance at End of Year	709	719	729	739	749	759

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) Include 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 amounts 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) 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)	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				850	870
801				851	871
802				852	872
803	820	830	840	853	873
804	821	831	841	854	874
805	822	832	842	855	875
806	823	833	843	856	876
807 2000/12/31	824	834	844	857	877
808 2001/12/31	825	835	845	858	878
809 2002/12/31	826	836	846	859	879
Total	829	839	849	869	889

Request for Loss Carry-Back (s.80(16))

Page 18 of 24

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 carryback adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Minister 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 Corporation's Account No. (MOF)	Taxation Year Ending			
i) 3rd preceding 901	911	921	931	941
ii) 2nd preceding 902 2000/12/31	912	922	932	942
iii) 1st preceding 903 2001/12/31	913	923	933	943
Total loss to be carried back	From 706	From 716	From 726	From 736
Balance of loss available for carryforward	919	929	939	949

Summary

Income Tax	From 230 or 320 +	273,148
Corporate Minimum Tax	From 280 +	
Capital Tax	From 550 +	92,956
Premium Tax	From 590 +	
Total Tax Payable	950 =	366,104
Subtract:		
Payments	960 -	186,334
Capital Gains Refund (s.48)	965 -	
Qualifying Environmental Trust Tax Credit (Refer to Guide)	985 -	
Specified Tax Credits (Refer to Guide)	955 -	
Balance	970 =	179,770
If payment due	Enclosed * 990	
If overpayment: Refund	975 =	
Apply to	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 the 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		
William Zehr		
Title		
PRESIDENT		
Full Residence Address		
187 ERIE STREET		
City		
STRATFORD		
Province	Country	Postal Code
ON	CA	N5A 2M6
Signature		Date
		2004/09/07

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Corporate Minimum Tax - Schedule A:

Calculation of CMT Base

CT23 Schedule A

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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± 1,618,933

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes	2101+	
Provision for deferred income taxes (credits)	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+	
Federal Part VI.1 tax on dividends declared and paid after May 5, 1997, under fed.s.191.1(1) x 9/4 =	2108+	

Subtotal

= 2109-

Add (to extent reflected in net income/loss):

Provision for current taxes	2110+	299,680
Provision for deferred income taxes (debits)	2111+	
Equity losses from corporations	2112+	
Share of partnership(s)/joint venture(s) losses	2113+	
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+	

Subtotal

= 299,680 2115+ 299,680

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	2116+	or	2117-
** Fed.s.85.1	2118+	or	2119-
** Fed.s.97	2120+	or	2121-

** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years 2122+ or 2123-

** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years 2124+ or 2125-

** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4) and 44 for current/prior years 2126+ or 2127-

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)

= 2128+

Subtotal (Subtractions)

= 2129-

** Other adjustments

2130±

Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130

2131= 1,918,613

** Share of partnership(s)/joint venture(s) adjusted net income/loss (Attach schedule)

2132±

Adjusted net income (loss) (if loss, transfer to 2202 in Schedule B)

2133= 1,918,613

Deduct: CMT losses: pre-1994 Loss *

From 2210+

CMT losses: other eligible losses *

2211+ 286,794

= 286,794 2134- 286,794

* CMT losses applied cannot exceed adjusted net income or increase a loss

** Retain calculations. Do not submit with this tax return.

CMT Base

2135= 1,631,819

Transfer to CMT Base on page 8

Corporate Minimum Tax (CMT)**Schedule D: Continuity of CMT Credit Carryovers****CMT credit continuity by year**

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/12/31							
2002/12/31							
Totals							

Balance at Beginning of year (1)**2301 +****Add:** Current year's CMT Credit (280 on page 8. If negative, enter NIL)From **280 +**

CMT Credit Carryovers from predecessor corporations (2)

2302 +Amalgamation (✓) **2303** ☐ Yes Wind-up (✓) **2304** ☐ Yes**Subtotal****= 2305 +**

Adjustments (Attach schedule)

2306 ±**CMT credit carryover available 2301 + 2305 ± 2306****2307 =**

Transfer to Page 8

Subtract: CMT credit utilized during the year to reduce income tax (Page 8)From **310 +**

CMT credit expired during the year

2308 +**Subtotal****= 2309 -****Balance at End of Year (3) 2307 - 2309****2310 =****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 the sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year-End Balance by Year of Origin

Year of Origin (oldest year first)	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporations
2340	2360	2380
2341	2361	2281
2342	2362	2382
2343	2363	2383
2344	2364	2384
2345	2365	2385
2346	2366	2386
2347	2367	2387
2348 2001/12/31	2368	2388
2349 2002/12/31	2369	2389
Totals	2370	2390

The sum of amounts 2370 and 2390 must equal the amount in 2310.

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 1: Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31	296,681					296,681	
2002/12/31							
Totals	296,681					296,681	

Current year non-capital loss

Net income (loss) for Ontario tax purposes	2,481,867
Deduct:	
Net capital losses deducted in the year	
Taxable dividends deductible under sections 112, 113 or subsection 138(6)	
Amount of Part VI.1 tax deductible	
Subtotal - if positive, enter "0"	
Deduct: Section 110.5 - addition for foreign tax credits	
Add: Current year farm loss	
Current year non-capital loss (if positive, enter "0")	

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year	296,681	
Losses expired after 7 years	-	
Non-capital losses - beginning balance	= 296,681	296,681
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year non-capital loss from above		
Deduct - Non-capital loss carry back to:		
1st preceding taxation year against taxable income		
2nd preceding taxation year against taxable income		
3rd preceding taxation year against taxable income		
Current year non-capital loss net of carryback		+
	Subtotal	= 296,681
Deduct:		
Amount applied against taxable income (enter on line 704 of the CT23)	296,681	
Section 80 adjustments		
Other adjustments		
	296,681	- 296,681
Non-capital losses - ending balance		=

Ontario non-capital loss continuity

Farm loss continuity by year

Partnership loss continuity by year							
Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year	_____	
Losses expired after 10 years	_____	
Farm losses - beginning balance	_____	
Transfers from wind-up of wholly-owned subsidiary and amalgamation	_____	+
Current year farm loss	_____	
Deduct - Farm loss carry back to:		
1st preceding taxation year against taxable income	_____	
2nd preceding taxation year against taxable income	_____	
3rd preceding taxation year against taxable income	_____	
Subtotal	_____	
Current year farm loss net of carry-back	_____	+
	Subtotal	=
Deduct:		
Amount applied against taxable income (enter on line 724 of the CT23)	_____	
Section 80 adjustments	_____	
Other adjustments	_____	
Farm losses - ending balance	_____	=

OS4N
Schedule 4

Ontario non-capital loss continuity

Part 3 - Restricted farm loss

Restricted farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Current year restricted farm loss

Net loss from farming business

Deductible farm loss:

Net loss from above

\$2,500 plus 1/2 (A - \$2,500)

Maximum deduction

A

B

C

2,500

8,750

Deductible farm loss (lesser of A, B, and C)

Current year restricted farm loss

Restricted farm loss continuity and carry-back request

Restricted farm losses at end of preceding taxation year

Losses expired after 10 years

Restricted farm losses - beginning balance

Transfers from wind-up of wholly-owned subsidiary and amalgamation

Current year restricted farm loss

Deduct - Restricted farm loss carry back to:

1st preceding taxation year against farming income

2nd preceding taxation year against farming income

3rd preceding taxation year against farming income

Current year restricted farm loss net of carry-back

Deduct:

Amount applied against taxable income (enter on line 734 of the CT23)

Section 80 adjustments

Other adjustments

Restricted farm losses - ending balance



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Corporations Tax Branch
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Oshawa ON L1H 8E9

Ontario Capital Cost Allowance Schedule 8

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name FESTIVAL HYDRO INC.		Ontario Corporations Tax Account No. (MOF) 1800294		Taxation Year End 2002/12/31	

Is the corporation electing under regulation 1101(5q)? 101 1 Yes ☐ 2 No ☐

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	3,387,955	216,557			3,604,512	108,279	3,496,233	4			139,849	3,464,663
1	3,493,799	522,659			4,016,458	261,330	3,755,128	4			150,205	3,866,253
1	2,748,199	180,587			2,928,786	90,294	2,838,492	4			113,540	2,815,246
1	3,550,220	412,315			3,962,535	206,158	3,756,377	4			150,255	3,812,280
1	5,032,516	562,015			5,594,531	281,008	5,313,523	4			212,541	5,381,990
1	1,960,964	205,493			2,166,457	102,747	2,063,710	4			82,548	2,083,909
1	972,650				972,650		972,650	4			38,906	933,744
1	521,070				521,070		521,070	4			20,843	500,227
1	873,084	48,425			921,509	24,213	897,296	4			35,892	885,617
8	80,183	3,576			83,759	1,788	81,971	20			16,394	67,365
10	45,312	72,076			117,388	36,038	81,350	30			24,405	92,983
12	81,373	43,188			124,561	21,594	102,967	100			102,967	21,594
10	403,089	22,888			425,977	11,444	414,533	30			124,360	301,617
8	95,328	23,201			118,529	11,601	106,928	20			21,386	97,143
8	32,208	23,523			55,731	11,762	43,969	20			8,794	46,937
8	20,916				20,916		20,916	20			4,183	16,733
8	17,589				17,589		17,589	20			3,518	14,071
2	316,059				316,059		316,059	6			18,964	297,095
2	380,095				380,095		380,095	6			22,806	357,289
2	3,624,575				3,624,575		3,624,575	6			217,475	3,407,100
2	1,007,553				1,007,553		1,007,553	6			60,453	947,100
2	378,567				378,567		378,567	6			22,714	355,853
2	204,291				204,291		204,291	6			12,257	192,034
Totals	29,227,595	2,336,503				1,168,256	30,395,842				1,605,255	29,958,843

Enter in box 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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Ontario Cumulative Eligible Capital Deduction Schedule 10

Corporation's Legal Name FESTIVAL HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2002/12/31

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at beginning of taxation year (if negative, enter zero) 209,099 A

Add: Cost of eligible capital property acquired during the taxation year + B
Amount transferred on amalgamation or wind-up of subsidiary + C
Other adjustments + D
Total of B + C + D = x 3/4 = E
Subtotal A + E = 209,099 F

Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year + G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada) + H
Other adjustments + I
Total of G + H + I = x 3/4 = J
Ontario cumulative eligible capital balance F - J = 209,099 K

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction 209,099 K x 7%* = 14,637 L
*The maximum current year deduction is 7%. However, you can claim any amount up to the maximum. Enter amount in box 651 of the CT23

Ontario cumulative eligible capital - closing balance K - L (if negative, enter zero) = 194,462 M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition

Complete this part only if the amount at line K is negative

Amount from line K above show as a positive amount N

Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 1
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7) 2
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 3
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 4
Line 3 deduct line 4 5
Total lines 1 + 2 + 5 6
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 7
Deduct line 7 from line 6
N - O (cannot be negative)
Amount on line 5 x 1/2
P - Q
Amount on line R x 66.6667
Lesser of line N or line O
Amount to be included in income S + T

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

**Ministry of Finance**

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**Ontario Continuity of Reserves
Schedule 13**

Corporation's Legal Name FESTIVAL HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2002/12/31

For use by corporations 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	Ontario balance at the end of the year
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	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 and transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
FUTURE EMPLOYEE BENEFITS	1,007,971				1,039,000
Totals	1,007,971				1,039,000

Enter in box **653**
of the CT23

Enter in box **606**
of the CT23

Details of Associated Ontario Corporations

Names of associated corporations (Canadian and foreign)	Permanent establishment in Canada?	Ontario Account Number	Taxation Year End
Festival Hydro Services Inc.	Yes	1800087	2002/12/31

Names of associated corporations	Surtax on CCPCs	Corporate Minimum Tax		Capital Tax
	Taxable income	Total Assets	Total Revenue	Taxable Capital
Festival Hydro Services Inc.		1,317,091	345,795	1,253,041
Totals	0	1,317,091	345,795	1,253,041

**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 FESTIVAL HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2002/12/31

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
Festival Hydro Services Inc.	1800087	2002/12/31	1,253,041
Aggregate of taxable capital			1,253,041

Transfer to **540** of the CT23



Corporation's Legal Name FESTIVAL HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2002/12/31

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)	
City of Startford	15,600,000
CUSTOMER DEPOSITS	192,524
Total	15,792,524

Transfer to **353** on the CT23

**Ontario****Ministry of Finance**

Corporations Tax Branch

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Paid-Up Capital: Other Reserves

Corporation's Legal Name FESTIVAL HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2002/12/31

Description of Reserves NOT ALLOWED as a Deduction for Income Tax	Balance Beginning of the Year	Add	Deduct	Transfer on Amalgamation or Wind-up of Subsidiary	Balance at the End of the Year
EMPLOYEE FUTURE BENEFITS	1,007,971	31,029			1,039,000
Total					1,039,000

Transfer to 361 on the CT23

**Ontario****Ministry of Finance**Corporations Tax Branch
PO Box 620
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Oshawa ON L1H 8E9**Corporate Minimum Tax - Associated Corporation**

Corporation's Legal Name FESTIVAL HYDRO INC.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2002/12/31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
Festival Hydro Services Inc.	1800087	2002/12/31	1,317,091	345,795
Totals			1,317,091	345,795

*Transfer to **249**
of the CT23**Transfer to **250**
of the CT23*

OInstalments

Ontario tax instalments

Instalment base

Year-end	Estimate for current year 2003/12/31	First instalment base 2002/12/31	Second instalment base 2001/12/31
Taxable income		2,185,186	
Base amount of tax		273,148	
Small business tax credit		18,200	
Surtax on CCPCs		18,200	
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits			
Income tax payable		273,148	
Corporate minimum tax payable			
Capital tax payable		92,956	23,093
Premium tax payable			
Total tax payable		366,104	23,093
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years		366,104	23,093
Estimated tax credits for the current year			
Instalment base		366,104	23,093
Monthly payment		30,509	1,924
Quarterly payment		91,526	5,773

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
 ☒ 3. based on the first and second instalment base
- ☐ 2. based on the first instalment base
 ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2003/01/31	1,924		
2003/02/28	1,924		
2003/03/31	36,226		
2003/04/30	36,226		
2003/05/31	36,226		
2003/06/30	36,226		
2003/07/31	36,226		
2003/08/31	36,226		
2003/09/30	36,226		
2003/10/31	36,226		
2003/11/30	36,226		
2003/12/31	36,226		
Total	366,108		



Ministry of Finance
Corporations Tax Branch - Hydro PIL
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Account No.
1800294

35
PX5085

FESTIVAL HYDRO INC.
WILLIAM ZEHR
187 ERIE ST
PO BOX 397
STRATFORD
N5A 2M6

ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

2	0	0	2	1	2	3	1

Payment Amount: \$

Total Payment Enclosed: \$



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Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 to 2002/12/31

Account No.

1800294

Reassessment Date
(year, month, day)

2005/05/16

Page

2 of 3

FESTIVAL HYDRO INC.

REASSESSMENT NO. 83 REPLACING ASSESSMENT DATED: 2003/07/10

Tax: Federal and Provincial PIL
Assessment Interest

Total Reassessment Liability

1,052,083.00

51,217.76

1,103,300.76

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers
Refunds

1,520,523.80CR
518,186.80

Sub-Total

TAXATION YEAR BALANCE DUE **

1,002,337.00CR

100,963.76

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.

Adjustment to the computation of Total Tax payable.

Mathematical error in computation of Net Paid-up Capital.

Adjustment to the computation of Total Eligible Investments for Investment Allowance.

Adjustment to the computation of Investment Allowance. Taxable Capital revised

Mathematical error in computation of Taxable Paid-up Capital.

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC). The current interest rate is 0.0191780%.

Festival Hydro Inc.
2002 PIL recovery - at 7.25%

Total 2002 PILs	1,226,571.00
	<u>12 months</u>
Monthly amount to set up	<u>102,214.25</u>

Interest Calculation	Outstanding Balance	Interest Income A/c 4405	Outstanding Principal	Check	<u>Total Recovered</u>
Jan-02 Opening Balance	0.00		0.00		
PIL Addition in month	102,214.25		102,214.25		
Interest @ 7.25	0.00	0.00	0.00		
Jan Closing Balance	<u>102,214.25</u>	<u>0.00</u>	<u>102,214.25</u>	<u>102,214.25</u>	
Feb-02 Opening Balance	102,214.25		102,214.25		
PIL Addition in month	102,214.25		102,214.25		
Interest @ 7.25	568.48	568.48	0.00		
Jan Closing Balance	<u>204,996.98</u>	<u>568.48</u>	<u>204,428.50</u>	<u>204,996.98</u>	
Mar-02 Opening Balance	204,996.98		204,428.50		
PIL Addition in month	102,214.25		102,214.25		
Recovered in March	(25,933.66)		(25,933.66)		25,933.66
Interest @ 7.25	1,258.78	1,258.78	0.00		
March Closing balance	<u>282,536.35</u>	<u>1,827.25</u>	<u>280,709.09</u>	<u>282,536.35</u>	<u>25,933.66</u>
Apr-02 April Opening balance	282,536.35		280,709.09		
PIL Addition in month	102,214.25		102,214.25		
Recovered in April	(102,296.95)		(102,296.95)		102,296.95
Interest @ 7.25	1,672.72	1,672.72	0.00		
April Closing balance	<u>284,126.36</u>	<u>3,499.97</u>	<u>280,626.39</u>	<u>284,126.36</u>	<u>128,230.61</u>
May-02 May Opening balance	284,126.36		280,626.39		
PIL Addition in month	102,214.25		102,214.25		
Recovered in May	(82,158.54)		(82,158.54)		82,158.54
Interest @ 7.25	1,727.97	1,727.97	0.00		
May Closing balance	<u>305,910.04</u>	<u>5,227.94</u>	<u>300,682.10</u>	<u>305,910.04</u>	<u>210,389.15</u>
Jun-02 Jun Opening balance	305,910.04		300,682.10		
PIL Addition in month	102,214.25		102,214.25		
Recovered in Jun	(81,313.33)		(81,313.33)		81,313.33
Interest @ 7.25	1,791.74	1,791.74	0.00		
Jun Closing balance	<u>328,602.70</u>	<u>7,019.68</u>	<u>321,583.02</u>	<u>328,602.70</u>	<u>291,702.48</u>
Jul-02 Jul Opening balance	328,602.70		321,583.02		
PIL Addition in month	102,214.25		102,214.25		
Recovered in Jul	(99,053.77)		(99,053.77)		99,053.77
Interest @ 2.65	1,916.28	1,916.28	0.00		
Jul Closing balance	<u>333,679.46</u>	<u>8,935.96</u>	<u>324,743.50</u>	<u>333,679.46</u>	<u>390,756.25</u>
Aug-02 Aug Opening balance	333,679.46		324,743.50		
PIL Addition in month	102,214.25		102,214.25		
Recovered in Aug	(106,746.09)		(106,746.09)		106,746.09
Interest @ 7.25	1,999.62	1,999.62	0.00		
Aug Closing balance	<u>331,147.24</u>	<u>10,935.58</u>	<u>320,211.66</u>	<u>331,147.24</u>	<u>497,502.34</u>
Sep-02 Sep Opening balance	331,147.24		320,211.66		
PIL Addition in month	102,214.25		102,214.25		
Recovered in Sep	(106,029.57)		(106,029.57)		106,029.57
Interest @ 7.25	1,908.11	1,908.11	0.00		
Sep Closing balance	<u>329,240.03</u>	<u>12,843.69</u>	<u>316,396.34</u>	<u>329,240.03</u>	<u>603,531.91</u>
Oct-02 Oct Opening balance	329,240.03		316,396.34		
PIL Addition in month	102,214.25		102,214.25		
Recovered in Oct	(99,603.99)		(99,603.99)		99,603.99
Interest @ 7.25	1,948.22	1,948.22	0.00		
Oct Closing balance	<u>333,798.51</u>	<u>14,791.91</u>	<u>319,006.60</u>	<u>333,798.51</u>	<u>703,135.90</u>
Nov-02 Nov Opening balance	333,798.51		319,006.60		
PIL Addition in month	102,214.25		102,214.25		

Recovered in Nov	(100,658.51)		(100,658.51)		100,658.51
Interest @ 7.25	1,900.93	1,900.93	0.00		
Nov Closing balance	<u>337,255.19</u>	<u>16,692.84</u>	<u>320,562.35</u>	<u>337,255.19</u>	<u>803,794.40</u>
Dec-02 Dec Opening balance	337,255.19		320,562.35		
PIL Addition in month	102,214.25		102,214.25		
Recovered in Dec	(104,039.32)		(104,039.32)		104,039.32
Interest @ 7.25	1,973.87	1,973.87	0.00		
Dec Closing balance	<u>337,403.99</u>	<u>18,666.71</u>	<u>318,737.27</u>	<u>337,403.99</u>	<u>907,833.73</u>
			Proof	Transfer In	1,226,571.00
			Agrees to G.L.	Interest	18,666.71
				Recovery	(907,833.73)
			Agrees to G.L.	Balance	<u>337,403.99</u>
Jan-03 Jan Opening balance	337,403.99	18,666.71	318,737.27		907,833.73
PIL Addition in month	102,214.25		102,214.25		
Recovered in Jan	(109,203.33)		(109,203.33)		109,203.33
Interest @ 7.25	1,962.64	1,962.64	0.00		
Jan Closing balance	<u>332,377.55</u>	<u>20,629.35</u>	<u>311,748.20</u>	<u>332,377.55</u>	<u>1,017,037.05</u>
	YTD Int	1,962.64			
Feb-03 Feb Opening balance	332,377.55		311,748.20		
PIL Addition in month	102,214.25		102,214.25		
Recovered in Feb	(111,225.75)		(111,225.75)		111,225.75
Interest @ 7.25	1,733.83	1,733.83	0.00		
Feb Closing balance	<u>325,099.87</u>	<u>22,363.18</u>	<u>302,736.69</u>	<u>325,099.87</u>	<u>1,128,262.81</u>
	YTD Int	3,696.47			
Mar-03 Mar Opening balance	325,099.87	22,363.18	302,736.69	325,099.87	1,128,262.81
PIL Addition in month	102,214.25		102,214.25		
Recovered in Mar	(107,562.26)		(107,562.26)		107,562.26
Revised balance	319,751.86		297,388.68		
Interest @ 7.25	1,864.11	1,864.11	0.00		
Mar Closing balance	<u>321,615.97</u>	<u>24,227.29</u>	<u>297,388.68</u>	<u>321,615.97</u>	<u>1,235,825.07</u>
	YTD Int	5,560.58			
Apr-03 Apr Opening balance	321,615.97	24,227.29	297,388.68	321,615.97	1,235,825.07
1 mths new PILs	102,214.25		102,214.25		
Recovered in Apr	(102,775.36)		(102,775.36)		102,775.36
Revised balance	321,054.86		296,827.57		
Interest @ 7.25	1,772.11	1,772.11	0.00		
Apr Closing balance	<u>322,826.97</u>	<u>25,999.40</u>	<u>296,827.57</u>	<u>322,826.97</u>	<u>1,338,600.43</u>
	YTD Int	7,332.69			
May-03 May Opening balance	322,826.97	25,999.40	296,827.57	322,826.97	1,338,600.43
1 mths new PILs	102,214.25		102,214.25		
Recovered in May	(100,249.96)		(100,249.96)		100,249.96
Revised balance	324,791.26		298,791.86		
Interest @ 7.25	1,827.73	1,827.73	0.00		
May Closing balance	<u>326,618.99</u>	<u>27,827.13</u>	<u>298,791.86</u>	<u>326,618.99</u>	<u>1,438,850.39</u>
	YTD Int	9,160.42			
Jun-03 Jun Opening balance	326,618.99	27,827.13	298,791.86	326,618.99	1,438,850.39
1 mths new PILs	102,214.25		102,214.25		
Deferral Acct True Up 2002	(9,294.00)		(9,294.00)		
Recovered in Jun	(100,249.96)		(100,249.96)		100,249.96
Revised balance	319,289.28		291,462.15		
Interest @ 7.25	1,839.82	1,839.82	0.00		
Jun Closing balance	<u>321,129.10</u>	<u>29,666.95</u>	<u>291,462.15</u>	<u>321,129.10</u>	<u>1,539,100.35</u>
Jul-03 Jun Opening balance	321,129.10	29,666.95	291,462.15	321,129.10	1,539,100.35
1 mths new PILs	102,214.25		102,214.25		
Recovered in Jul	(98,742.38)		(98,742.38)		98,742.38
Revised balance	324,600.97		294,934.02		
Interest @ 7.25	1,794.69	1,794.69	0.00		
May Closing balance	<u>326,395.66</u>	<u>31,461.64</u>	<u>294,934.02</u>	<u>326,395.66</u>	<u>1,637,842.73</u>
	YTD Int	1,794.69			
Aug-03 Jun Opening balance	326,395.66	31,461.64	294,934.02	326,395.66	1,637,842.73
1 mths new PILs	102,214.25		102,214.25		
Recovered in Aug	(103,211.84)		(103,211.84)		103,211.84

Revised balance	325,398.07		293,936.43		
Interest @ 7.25	1,816.07	1,816.07	0.00		
May Closing balance	327,214.14	33,277.70	293,936.43	327,214.14	1,741,054.57
YTD Int		3,610.75			
Sep-03 Jun Opening balance	327,214.14	33,277.70	293,936.43	327,214.14	1,741,054.57
1 mths new PILs	102,214.25		102,214.25		
Recovered in Sep	(101,772.45)		(101,772.45)		101,772.45
Revised balance	327,655.94		294,378.24		
Interest @ 7.25	1,751.54	1,751.54	0.00		
Sep Closing balance	329,407.48	35,029.24	294,378.24	329,407.48	1,842,827.01
YTD Int		5,362.29			
Oct-03 Opening balance	329,407.48	35,029.24	294,378.24	329,407.48	1,842,827.01
1 mths new PILs	102,214.25		102,214.25		
Recovered in Oct	(97,169.41)		(97,169.41)		97,169.41
Revised balance	334,452.31		299,423.07		
Interest @ 7.25	1,812.64	1,812.64	0.00		
Oct Closing balance	336,264.96	36,841.89	299,423.07	336,264.96	1,939,996.43
YTD Int		7,174.94			
Nov-03 Opening balance	336,264.96	36,841.89	299,423.07	336,264.96	1,939,996.43
1 mths new PILs	102,214.25		102,214.25		
Recovered in Nov	(99,267.14)		(99,267.14)		99,267.14
Revised balance	339,212.07		302,370.19		
Interest @ 7.25	1,784.23	1,784.23	0.00		
Oct Closing balance	340,996.31	38,626.12	302,370.19	340,996.31	2,039,263.56
YTD Int		8,959.17			
Dec-03 Opening balance	340,996.31	38,626.12	302,370.19	340,996.31	2,039,263.56
1 mths new PILs	102,214.25		102,214.25		
Recovered in Dec	(100,550.49)		(100,550.49)		100,550.49
Revised balance	342,660.07		304,033.95		
Interest @ 7.25	1,861.85	1,861.85	0.00		
Oct Closing balance	344,521.92	40,487.98	304,033.95	344,521.92	2,139,814.05
YTD Int		10,821.03	72,388.02	Add 2001 PILS	
Reconciliation		Life to date	YTD		
Beg Bal		0	337,403.99		
PIL additons		2,453,142.00	1,226,571.00		
Defferal Account True Up		(9,294.00)	(9,294.00)		
Add interest		40,487.98	21,821.26		
Less recoveries		(2,139,814.05)	(1,231,980.33)		
Balance		344,521.92	344,521.92		
Jan/04 Opening balance	344,521.92	40,487.98	304,033.95	344,521.92	2,139,814.05
1 mths new PILs	0.00		0.00		
Recovered in Jan	(108,655.56)		(108,655.56)		108,655.56
Revised balance	235,866.36		195,378.38		
Interest @ 7.25	1,872.10	1,872.10	0.00		
Oct Closing balance	237,738.46	42,360.08	195,378.38	237,738.46	2,248,469.62
YTD Int		1,872.10			
Feb/04 Opening balance	237,738.46	42,360.08	195,378.38	237,738.46	2,248,469.62
1 mths new PILs	0.00		0.00		
Recovered in Feb	(111,105.71)		(111,105.71)		111,105.71
Revised balance	126,632.75		84,272.68		
Interest @ 7.25	1,125.43	1,125.43	0.00		
Closing balance	127,758.18	43,485.51	84,272.68	127,758.18	2,359,575.32
YTD Int		2,997.53			
Mar/04 Opening balance	127,758.18	43,485.51	84,272.68	127,758.18	2,359,575.32
1 mths new PILs	0.00		0.00		
Recovered in Mar	(183,309.33)		(183,309.33)		183,309.33
Revised balance	(55,551.15)		(99,036.66)		
Interest @ 7.25	518.91	518.91	0.00		
Closing balance	(55,032.24)	44,004.42	(99,036.66)	(55,032.24)	2,542,884.66
YTD Int		3,516.44			

Final recovery of 2002 PILs completed in March including unbilled revenue, start recovering 2004 in April

Apr-04	Opening balance	(55,032.24)	44,004.42	(99,036.66)	<u>(55,032.24)</u>	2,542,884.66
	Interest @ 7.25	(590.15)	(590.15)	0.00		
	Closing balance	<u>(55,622.39)</u>	<u>43,414.27</u>	<u>(99,036.66)</u>	<u>(55,622.39)</u>	<u>2,542,884.66</u>
	YTD Int		2,926.29			
May-04	Opening balance	(55,622.39)	43,414.27	(99,036.66)	<u>(55,622.39)</u>	2,542,884.66
	Interest @ 7.25	(609.82)	(609.82)	0.00		
	Closing balance	<u>(56,232.21)</u>	<u>42,804.45</u>	<u>(99,036.66)</u>	<u>(56,232.21)</u>	<u>2,542,884.66</u>
	YTD Int		2,316.47			
Jun-04	Opening balance	(56,232.21)	42,804.45	(99,036.66)	<u>(56,232.21)</u>	2,542,884.66
	Deferral Acct True Up for 2	(67,325.00)		(67,325.00)		
	Interest @ 7.25	(590.15)	(590.15)	0.00		
	Closing balance	<u>(124,147.36)</u>	<u>42,214.30</u>	<u>(166,361.66)</u>	<u>(124,147.36)</u>	<u>2,542,884.66</u>
	YTD Int		1,726.32			
Jul-04	Opening balance	(124,147.36)	42,214.30	(166,361.66)	<u>(124,147.36)</u>	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
	Closing balance	<u>(125,171.74)</u>	<u>41,189.92</u>	<u>(166,361.66)</u>	<u>(125,171.74)</u>	<u>2,542,884.66</u>
	YTD Int		701.95			
Aug-04	Opening balance	(125,171.74)	41,189.92	(166,361.66)	<u>(125,171.74)</u>	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
	Closing balance	<u>(126,196.11)</u>	<u>40,165.54</u>	<u>(166,361.66)</u>	<u>(126,196.11)</u>	<u>2,542,884.66</u>
	YTD Int		(322.43)			
Sep-04	Opening balance	(126,196.11)	40,165.54	(166,361.66)	<u>(126,196.11)</u>	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(991.33)	(991.33)	0.00		
	Closing balance	<u>(127,187.45)</u>	<u>39,174.21</u>	<u>(166,361.66)</u>	<u>(127,187.45)</u>	<u>2,542,884.66</u>
	YTD Int		(1,313.77)			
Oct-04	Opening balance	(127,187.45)	39,174.21	(166,361.66)	<u>(127,187.45)</u>	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
	Closing balance	<u>(128,211.82)</u>	<u>38,149.83</u>	<u>(166,361.66)</u>	<u>(128,211.82)</u>	<u>2,542,884.66</u>
	YTD Int		(2,338.14)			
Nov-04	Opening balance	(128,211.82)	38,149.83	(166,361.66)	<u>(128,211.82)</u>	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(991.33)	(991.33)	0.00		
	Closing balance	<u>(129,203.16)</u>	<u>37,158.50</u>	<u>(166,361.66)</u>	<u>(129,203.16)</u>	<u>2,542,884.66</u>
	YTD Int		(3,329.48)			
Dec-04	Opening balance	(129,203.16)	37,158.50	(166,361.66)	<u>(129,203.16)</u>	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
	Closing balance	<u>(130,227.53)</u>	<u>36,134.12</u>	<u>(166,361.66)</u>	<u>(130,227.53)</u>	<u>2,542,884.66</u>
	YTD Int		(4,353.85)			
Reconciliation						
	Beg Bal		Life to date	YTD		
	PIL additons		2,453,142.00	0	344,521.92	344,521.92
	Defferal Account True Up		(76,619.00)	(67,325.00)		
	Add interest		36,134.12	(4,353.85)		
	Less recoveries		(2,542,884.66)	(403,070.60)		
	Balance		<u>(130,227.53)</u>	<u>(130,227.53)</u>		
Jan-05	Opening balance	(130,227.53)	36,134.12	(166,361.66)	<u>(130,227.53)</u>	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
	Closing balance	<u>(131,251.91)</u>	<u>35,109.74</u>	<u>(166,361.66)</u>	<u>(131,251.91)</u>	<u>2,542,884.66</u>
	YTD Int		(1,024.38)			
Feb-05	Opening balance	(131,251.91)	35,109.74	(166,361.66)	<u>(131,251.91)</u>	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(925.24)	(925.24)	0.00		
	Closing balance	<u>(132,177.16)</u>	<u>34,184.50</u>	<u>(166,361.66)</u>	<u>(132,177.16)</u>	<u>2,542,884.66</u>
	YTD Int		(1,949.62)			

Mar-05	Opening balance	(132,177.16)	34,184.50	(166,361.66)	(132,177.16)	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(925.24)	(925.24)	0.00		
	Closing balance	(133,102.40)	33,259.26	(166,361.66)	(133,102.40)	2,542,884.66
	YTD Int		(2,874.87)			
Apr-05	Opening balance	(133,102.40)	33,259.26	(166,361.66)	(133,102.40)	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(991.33)	(991.33)	0.00		
	Closing balance	(134,093.73)	32,267.92	(166,361.66)	(134,093.73)	2,542,884.66
	YTD Int		(3,866.20)			
May-05	Opening balance	(134,093.73)	32,267.92	(166,361.66)	(134,093.73)	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
	Closing balance	(135,118.11)	31,243.54	(166,361.66)	(135,118.11)	2,542,884.66
	YTD Int		(4,890.58)			
Jun-05	Opening balance	(135,118.11)	31,243.54	(166,361.66)	(135,118.11)	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(991.33)	(991.33)	0.00		
	Closing balance	(136,109.45)	30,252.21	(166,361.66)	(136,109.45)	2,542,884.66
	YTD Int		(5,881.91)			
Jul-05	Opening balance	(136,109.45)	30,252.21	(166,361.66)	(136,109.45)	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
	Closing balance	(137,133.82)	29,227.83	(166,361.66)	(137,133.82)	2,542,884.66
	YTD Int		(6,906.29)			
Aug-05	Opening balance	(137,133.82)	29,227.83	(166,361.66)	(137,133.82)	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
	Closing balance	(138,158.20)	28,203.46	(166,361.66)	(138,158.20)	2,542,884.66
	YTD Int		(7,930.67)			
Sep-05	Opening balance	(138,158.20)	28,203.46	(166,361.66)	(138,158.20)	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(991.33)	(991.33)	0.00		
	Closing balance	(139,149.53)	27,212.12	(166,361.66)	(139,149.53)	2,542,884.66
	YTD Int		(8,922.00)			
Oct-05	Opening balance	(139,149.53)	27,212.12	(166,361.66)	(139,149.53)	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
	Closing balance	(140,173.91)	26,187.75	(166,361.66)	(140,173.91)	2,542,884.66
	YTD Int		(9,946.38)			
Nov-05	Opening balance	(140,173.91)	26,187.75	(166,361.66)	(140,173.91)	2,542,884.66
	Deferral Acct True Up	0.00		0.00		
	Interest @ 7.25	(991.33)	(991.33)	0.00		
	Closing balance	(141,165.24)	25,196.41	(166,361.66)	(141,165.24)	2,542,884.66
	YTD Int		(10,937.71)			
Dec-05	Opening balance	(141,165.24)	25,196.41	(166,361.66)	(141,165.24)	2,542,884.66
	Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
	Closing balance	(142,189.62)	24,172.03	(166,361.66)	(142,189.62)	2,542,884.66
	YTD Int		(11,962.09)			
Reconciliation		Life to date		YTD		
Beg Bal			0	(130,227.53)		
PIL additons		2,453,142.00		0.00		
Defferal Account True Up		(76,619.00)		0.00		
Add interest		24,172.03		(11,962.09)		
Less recoveries		(2,542,884.66)		0.00		
Balance		(142,189.62)		(142,189.62)		
Jan-06	Opening balance	(142,189.62)	24,172.03	(166,361.66)	(142,189.62)	2,542,884.66
	Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
	Closing balance	(143,214.00)	23,147.66	(166,361.66)	(143,214.00)	2,542,884.66
	YTD Int		(1,024.38)			
Feb-06	Opening balance	(143,214.00)	23,147.66	(166,361.66)	(143,214.00)	2,542,884.66

Interest @ 7.25	(925.24)	(925.24)	0.00		
Closing balance	(144,139.24)	22,222.41	(166,361.66)	(144,139.24)	2,542,884.66
	YTD Int	(1,949.62)			
Mar-06 Opening balance	(144,139.24)	22,222.41	(166,361.66)	(144,139.24)	2,542,884.66
Interest @ 7.25	(1,024.38)	(1,024.38)	0.00		
Closing balance	(145,163.62)	21,198.04	(166,361.66)	(145,163.62)	2,542,884.66
	YTD Int	(2,974.00)			
Apr-06 Opening balance	(145,163.62)	21,198.04	(166,361.66)	(145,163.62)	2,542,884.66
Interest @ 7.25	(991.33)	(991.33)	0.00		
Closing balance	(146,154.95)	20,206.70	(166,361.66)	(146,154.95)	2,542,884.66
	YTD Int	(3,965.33)			

<u>Life to date at Apr 2006</u>	YTD	Originally Filed
Opening -2002	0.00	(142,189.62)
New PILs	2,453,142.00	0.00
True Ups	(76,619.00)	0.00
Interest	20,206.70	(3,965.33)
Recoveries	(2,542,884.66)	0.00
Total -2002	(146,154.95)	(146,154.95)

<u>Year</u>	<u>Beginning</u>	<u>New PILS</u>	<u>Interst</u>	<u>Recoveries</u>	<u>True UP</u>	<u>Ending</u>
2002	0	1,226,571.00	18,666.71	(907,833.73)		337,403.98
2003	337,403.98	1,226,571.00	21,821.26	(1,231,980.33)	(9,294.00)	344,521.92
2004	344,521.92	0.00	(4,353.85)	(403,070.60)	(67,325.00)	(130,227.54)
2005	(130,227.54)	0.00	(11,962.09)	0.00		(142,189.63)
2006	(142,189.63)	0.00	(3,965.33)	0.00		(146,154.96)
	(146,154.96)	0.00	0.00			(146,154.96)
		2,453,142.00	20,206.70	(2,542,884.66)	(76,619.00)	(146,154.96)

Festival Hydro Inc.
2002 PIL Recovery
Period: Mar 2004

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		20,277,143.25	0.00232	46,966.62	42,357.93	89,324.54
AA2	Residential Seaforth		1,535,341.50	0.00291	4,466.99	245.44	4,712.43
AA3	Residential Hensall		724,305.75	0.00006	43.49	861.70	905.19
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		10,840,817.75	0.00151	16,381.59	15,580.49	31,962.08
GEN	General Service < 50 kWh		134,078.00	0.00151	202.61	0.00	202.61
CCC	General Service < 50 kWh		72,660.00	0.00151	109.72	0.00	109.72
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	23,608.11		0.25974	6,131.93	13,789.45	19,921.38
FF1	General Service > 50 kWh	27,447.07		0.25974	7,129.05	0.00	7,129.05
FF2	General Service > 50 kWh	68,504.49		0.25974	17,793.23	0.00	17,793.23
ZFG	Retailer billed	3,571.16		0.25974	927.57	0.00	927.57
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	11,644.34		0.10038	1,168.90	2,881.64	4,050.54
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	5,184.11		0.49355	2,558.64	1,212.11	3,770.75
REL	TOU - On		0.00				
REL	TOU	594.30		0.70293	417.75	1,004.75	1,422.50
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	1,534.68		0.19263	295.63	694.81	990.44
	Sentinel Lighting *****	0.00	24,493.96	0.48366	0.00	87.30	87.30
Totals		142,088.26	33,608,840.21		104,593.71	78,715.62	183,309.33

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: Feb 2004

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		13,784,001.00	0.00232	31,926.98	24,204.53	56,131.51
AA2	Residential Seaforth		871,642.00	0.00291	2,535.99	140.25	2,676.25
AA3	Residential Hensall		492,880.00	0.00006	29.60	492.40	522.00
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		6,939,038.00	0.00151	10,485.60	8,903.14	19,388.74
GEN	General Service < 50 kWh		76,616.00	0.00151	115.77	0.00	115.77
CCC	General Service < 50 kWh		56,802.00	0.00151	85.77	0.00	85.77
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,780.68		0.25974	3,579.37	7,879.69	11,459.05
FF1	General Service > 50 kWh	16,237.86		0.25974	4,217.59	0.00	4,217.59
FF2	General Service > 50 kWh	38,684.42		0.25974	10,047.82	0.00	10,047.82
ZFG	Retailer billed	2,136.92		0.25974	555.04	0.00	555.04
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,715.69		0.10038	674.14	1,646.65	2,320.79
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,848.47		0.49355	1,405.88	692.63	2,098.51
REL	TOU - On		0.00				
REL	TOU	422.40		0.70293	296.92	574.14	871.06
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	876.70		0.19263	168.88	397.04	565.92
	Sentinel Lighting *****	0.00	13,996.55	0.48366	0.00	49.89	49.89
Totals		81,703.14	22,234,975.55		66,125.35	44,980.36	111,105.71

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: Jan 2004

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		13,312,917.00	0.00232	30,835.84	24,204.53	55,040.37
AA2	Residential Seaforth		692,713.00	0.00291	2,015.41	140.25	2,155.66
AA3	Residential Hensall		374,334.00	0.00006	22.48	492.40	514.88
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		6,347,294.00	0.00151	9,591.41	8,903.14	18,494.55
GEN	General Service < 50 kWh		76,616.00	0.00151	115.77	0.00	115.77
CCC	General Service < 50 kWh		51,487.00	0.00151	77.75	0.00	77.75
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,343.28		0.25974	3,465.76	7,879.69	11,345.44
FF1	General Service > 50 kWh	16,779.99		0.25974	4,358.40	0.00	4,358.40
FF2	General Service > 50 kWh	38,600.52		0.25974	10,026.03	0.00	10,026.03
ZFG	Retailer billed	2,220.20		0.25974	576.67	0.00	576.67
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,674.27		0.10038	669.98	1,646.65	2,316.64
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,932.16		0.49355	1,447.18	692.63	2,139.82
REL	TOU - On		0.00				
REL	TOU	432.00		0.70293	303.67	574.14	877.81
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	876.57		0.19263	168.86	397.04	565.89
	Sentinel Lighting *****	0.00	13,996.55	0.48366	0.00	49.89	49.89
Totals		81,858.99	20,869,357.55		63,675.21	44,980.36	108,655.56

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: Dec 2003

Festival		Actuals per the billing registers		Budgeted Recoveries		Difference over (under) absorbed		Recovery Rate	Amount Recovered		Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's	kW's	kWh's	kW's	kWh's		Variable			
AA1	Residential		129,016,496.01		10,449,948.67		118,566,547.34	0.00232	298,832.45		24,204.53	323,036.98
AA2	Residential Seaforth		8,081,980.00		640,442.50		7,441,537.50	0.00291	23,514.08		140.25	23,654.33
AA3	Residential Hensall		4,148,735.00		341,661.42		3,807,073.58	0.00006	249.13		492.40	741.53
AA4	Residential Seaforth		0.00									
AA5	Residential St. Marys		0.00									
CCC	General Service < 50 kWh		70,922,127.00		5,891,815.50		65,030,311.50	0.00151	107,170.62		8,903.14	116,073.76
GEN	General Service < 50 kWh		1,267,647.00		0.00		1,267,647.00	0.00151	1,915.54		0.00	1,915.54
CCC	General Service < 50 kWh		376,701.00		0.00		376,701.00	0.00151	568.82		0.00	568.82
FFF	General Service > 50 kWh		0.00									
FF1	General Service > 50 kWh		0.00									
FF2	General Service > 50 kWh		0.00									
FFF	General Service > 50 kWh	165,388.18		70,786.42		94,601.76		0.25974	42,957.62		7,879.69	50,837.31
FF1	General Service > 50 kWh	202,542.20				202,542.20		0.25974	52,607.94		0.00	52,607.94
FF2	General Service > 50 kWh	456,842.84				456,842.84		0.25974	118,659.52		0.00	118,659.52
ZFG	Retailer billed	25,921.28				25,921.28		0.25974	6,732.75		0.00	6,732.75
FAG	TOU - On		0.00									
FA1	TOU - Off											
FAG	TOU	84,524.73		7,063.67		77,461.06		0.10038	8,484.86		1,646.65	10,131.51
HEN	TOU - On		0.00									
HR1	TOU - Off											
HEN	TOU	38,536.13		3,274.50		35,261.63		0.49355	19,019.70		692.63	19,712.33
REL	TOU - On	0.00	0.00									
REL	TOU	8,524.26		1,905.83		6,618.43		0.70293	5,991.95		574.14	6,566.09
LGH	Street Lighting - Winter											
	Street Lighting Summer											
	Street Lighting TOU	10,514.82		883.33		9,631.49		0.19263	2,025.49		397.04	2,422.53
	Sentinel Lighting *****	0.00	266,443.02	44.42		(44.42)		0.48366	0.00		49.89	49.89
Totals		992,794.44	214,080,129.03	83,958.17	17,323,868.08	908,836.27	196,489,817.93		688,730.46		44,980.36	733,710.82
						Check	908,836.27					
						Diff -LGH	196,756,260.95					
							266,443.02					

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: Dec 2003

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		10,264,809.01	0.00232	23,775.70	24,204.53	47,980.23
AA2	Residential Seaforth		713,895.00	0.00291	2,077.04	140.25	2,217.29
AA3	Residential Hensall		348,503.00	0.00006	20.93	492.40	513.33
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		5,525,007.00	0.00151	8,348.85	8,903.14	17,251.99
GEN	General Service < 50 kWh		34,851.00	0.00151	52.66	0.00	52.66
CCC	General Service < 50 kWh		40,452.00	0.00151	61.08	0.00	61.08
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,647.10		0.25974	3,544.67	7,879.69	11,424.36
FF1	General Service > 50 kWh	17,314.11		0.25974	4,497.14	0.00	4,497.14
FF2	General Service > 50 kWh	38,594.88		0.25974	10,024.56	0.00	10,024.56
ZFG	Retailer billed	2,246.94		0.25974	583.62	0.00	583.62
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,731.28		0.10038	675.71	1,646.65	2,322.36
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,956.80		0.49355	1,459.34	692.63	2,151.98
REL	TOU - On		0.00				
REL	TOU	398.29		0.70293	279.97	574.14	854.11
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	876.57		0.19263	168.86	397.04	565.89
	Sentinel Lighting *****	0.00	264,048.53	0.48366	0.00	49.89	49.89
Totals		82,765.97	17,191,565.54		55,570.13	44,980.36	100,550.49

***** - Dec includes a 2,602.11 adjustment for streelighting billed at kWh in the earlier months and converted to kW consumption in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: Nov 2003

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		9,993,817.00	0.00232	23,148.02	24,204.53	47,352.55
AA2	Residential Seaforth		565,278.00	0.00291	1,644.65	140.25	1,784.90
AA3	Residential Hensall		293,856.00	0.00006	17.65	492.40	510.05
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		5,326,494.00	0.00151	8,048.88	8,903.14	16,952.02
GEN	General Service < 50 kWh		78,416.00	0.00151	118.49	0.00	118.49
CCC	General Service < 50 kWh		40,557.00	0.00151	61.24	0.00	61.24
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,582.80		0.25974	3,527.97	7,879.69	11,407.66
FF1	General Service > 50 kWh	16,526.37		0.25974	4,292.53	0.00	4,292.53
FF2	General Service > 50 kWh	39,236.34		0.25974	10,191.17	0.00	10,191.17
ZFG	Retailer billed	2,313.95		0.25974	601.02	0.00	601.02
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,154.86		0.10038	718.23	1,646.65	2,364.88
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,995.20		0.49355	1,478.30	692.63	2,170.93
REL	TOU - On		0.00				
REL	TOU	384.00		0.70293	269.92	574.14	844.07
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	875.79		0.19263	168.71	397.04	565.74
	Sentinel Lighting *****	0.00	103.00	0.48366	0.00	49.89	49.89
Totals		83,069.31	16,298,521.00		54,286.78	44,980.36	99,267.14

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: Oct 2003

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		8,997,275.00	0.00232	20,839.80	24,204.53	45,044.33
AA2	Residential Seaforth		585,422.00	0.00291	1,703.25	140.25	1,843.50
AA3	Residential Hensall		264,519.00	0.00006	15.88	492.40	508.28
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		5,326,009.00	0.00151	8,048.15	8,903.14	16,951.29
GEN	General Service < 50 kWh		78,650.00	0.00151	118.85	0.00	118.85
CCC	General Service < 50 kWh		40,222.00	0.00151	60.74	0.00	60.74
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,715.97		0.25974	3,562.56	7,879.69	11,442.25
FF1	General Service > 50 kWh	16,513.70		0.25974	4,289.24	0.00	4,289.24
FF2	General Service > 50 kWh	39,556.03		0.25974	10,274.21	0.00	10,274.21
ZFG	Retailer billed	2,509.82		0.25974	651.90	0.00	651.90
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,277.45		0.10038	730.53	1,646.65	2,377.19
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,976.00		0.49355	1,468.82	692.63	2,161.45
REL	TOU - On		0.00				
REL	TOU	364.80		0.70293	256.43	574.14	830.57
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	875.79		0.19263	168.71	397.04	565.74
	Sentinel Lighting *****	0.00	103.00	0.48366	0.00	49.89	49.89
Totals		83,789.56	15,292,200.00		52,189.06	44,980.36	97,169.41

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: Sept 2003

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		10,351,631.00	0.00232	23,976.80	24,204.53	48,181.33
AA2	Residential Seaforth		598,747.00	0.00291	1,742.02	140.25	1,882.27
AA3	Residential Hensall		343,656.00	0.00006	20.64	492.40	513.04
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		5,895,765.00	0.00151	8,909.11	8,903.14	17,812.25
GEN	General Service < 50 kWh		120,415.00	0.00151	181.96	0.00	181.96
CCC	General Service < 50 kWh		40,202.00	0.00151	60.71	0.00	60.71
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,937.85		0.25974	3,620.19	7,879.69	11,499.88
FF1	General Service > 50 kWh	16,596.82		0.25974	4,310.83	0.00	4,310.83
FF2	General Service > 50 kWh	39,115.71		0.25974	10,159.84	0.00	10,159.84
ZFG	Retailer billed	2,528.76		0.25974	656.82	0.00	656.82
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,465.46		0.10038	749.41	1,646.65	2,396.06
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	2,976.00		0.49355	1,468.82	692.63	2,161.45
REL	TOU - On		0.00				
REL	TOU	1,090.32		0.70293	766.42	574.14	1,340.56
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	874.91		0.19263	168.54	397.04	565.57
	Sentinel Lighting *****	0.00	103.00	0.48366	0.00	49.89	49.89
Totals		84,585.83	17,350,519.00		56,792.09	44,980.36	101,772.45

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: Aug 2003

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		10,925,046.00	0.00232	25,304.97	24,204.53	49,509.50
AA2	Residential Seaforth		641,595.00	0.00291	1,866.69	140.25	2,006.94
AA3	Residential Hensall		340,593.00	0.00006	20.45	492.40	512.85
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		6,061,453.00	0.00151	9,159.48	8,903.14	18,062.62
GEN	General Service < 50 kWh		120,415.00	0.00151	181.96	0.00	181.96
CCC	General Service < 50 kWh		43,911.00	0.00151	66.31	0.00	66.31
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,304.54		0.25974	3,455.70	7,879.69	11,335.38
FF1	General Service > 50 kWh	16,580.34		0.25974	4,306.55	0.00	4,306.55
FF2	General Service > 50 kWh	39,127.64		0.25974	10,162.94	0.00	10,162.94
ZFG	Retailer billed	2,612.71		0.25974	678.62	0.00	678.62
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,237.83		0.10038	726.56	1,646.65	2,373.21
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,129.60		0.49355	1,544.63	692.63	2,237.26
REL	TOU - On		0.00				
REL	TOU	836.65		0.70293	588.11	574.14	1,162.25
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	874.91		0.19263	168.54	397.04	565.57
	Sentinel Lighting *****	0.00	293.00	0.48366	0.00	49.89	49.89
Totals		83,704.22	18,133,306.00		58,231.48	44,980.36	103,211.84

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: Jul 2003

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's				
AA1	Residential		9,762,053.00	0.00232	22,611.20	24,204.53	46,815.73
AA2	Residential Seaforth		547,391.00	0.00291	1,592.60	140.25	1,732.86
AA3	Residential Hensall		279,476.00	0.00006	16.78	492.40	509.18
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		5,367,501.00	0.00151	8,110.85	8,903.14	17,013.98
GEN	General Service < 50 kWh		120,300.00	0.00151	181.79	0.00	181.79
CCC	General Service < 50 kWh		43,834.00	0.00151	66.19	0.00	66.19
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	12,897.64		0.25974	3,350.01	7,879.69	11,229.69
FF1	General Service > 50 kWh	15,840.68		0.25974	4,114.43	0.00	4,114.43
FF2	General Service > 50 kWh	38,569.89		0.25974	10,018.07	0.00	10,018.07
ZFG	Retailer billed	2,568.70		0.25974	667.19	0.00	667.19
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,053.72		0.10038	708.07	1,646.65	2,354.73
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,225.60		0.49355	1,592.01	692.63	2,284.65
REL	TOU - On		0.00				
REL	TOU	802.77		0.70293	564.29	574.14	1,138.43
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	874.91		0.19263	168.54	397.04	565.57
	Sentinel Lighting *****	0.00	293.00	0.48366	0.00	49.89	49.89
Totals		81,833.91	16,120,848.00		53,762.02	44,980.36	98,742.38

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: June 2003

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		8,985,724.00	0.00232	20,813.04	24,204.53	45,017.57
AA2	Residential Seaforth		562,276.00	0.00291	1,635.91	140.25	1,776.16
AA3	Residential Hensall		264,228.00	0.00006	15.87	492.40	508.27
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		5,187,073.00	0.00151	7,838.20	8,903.14	16,741.34
GEN	General Service < 50 kWh		120,300.00	0.00151	181.79	0.00	181.79
CCC	General Service < 50 kWh		27,391.00	0.00151	41.36	0.00	41.36
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,116.08		0.25974	3,406.75	7,879.69	11,286.43
FF1	General Service > 50 kWh	15,781.46		0.25974	4,099.05	0.00	4,099.05
FF2	General Service > 50 kWh	38,699.73		0.25974	10,051.80	0.00	10,051.80
ZFG	Retailer billed	1,959.52		0.25974	508.96	0.00	508.96
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,051.72		0.10038	707.87	1,646.65	2,354.53
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,240.95		0.49355	1,599.59	692.63	2,292.22
REL	TOU - On		0.00				
REL	TOU	1,017.60		0.70293	715.30	574.14	1,289.44
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	874.91		0.19263	168.54	397.04	565.57
	Sentinel Lighting *****	0.00	293.00	0.48366	0.00	49.89	49.89
Totals		81,741.97	15,147,285.00		51,784.02	44,980.36	96,764.37

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: May 2003

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered Variable	Fixed monthly recovery	Total recovery
Code	Category	kW's	kWh's				
AA1	Residential		9,837,223.00	0.00232	22,785.31	24,204.53	46,989.84
AA2	Residential Seaforth		643,344.00	0.00291	1,871.77	140.25	2,012.03
AA3	Residential Hensall		336,565.00	0.00006	20.21	492.40	512.61
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		5,715,279.00	0.00151	8,636.37	8,903.14	17,539.51
GEN	General Service < 50 kWh		120,300.00	0.00151	181.79	0.00	181.79
CCC	General Service < 50 kWh		28,772.00	0.00151	43.45	0.00	43.45
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	14,036.36		0.25974	3,645.78	7,879.69	11,525.46
FF1	General Service > 50 kWh	17,152.31		0.25974	4,455.11	0.00	4,455.11
FF2	General Service > 50 kWh	38,223.78		0.25974	9,928.17	0.00	9,928.17
ZFG	Retailer billed	1,976.64		0.25974	513.41	0.00	513.41
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,134.86		0.10038	716.22	1,646.65	2,362.87
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,313.53		0.49355	1,635.41	692.63	2,328.04
REL	TOU - On		0.00				
REL	TOU	950.40		0.70293	668.06	574.14	1,242.21
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	874.91		0.19263	168.54	397.04	565.57
	Sentinel Lighting *****	0.00	258.53	0.48366	0.00	49.89	49.89
Totals		83,662.79	16,681,741.53		55,269.60	44,980.36	100,249.96

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: April 2003

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		10,869,356.00	0.00232	25,175.98	24,204.53	49,380.51
AA2	Residential Seaforth		765,192.00	0.00291	2,226.28	140.25	2,366.54
AA3	Residential Hensall		384,670.00	0.00006	23.10	492.40	515.50
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		6,141,188.00	0.00151	9,279.97	8,903.14	18,183.10
GEN	General Service < 50 kWh		118,500.00	0.00151	179.07	0.00	179.07
CCC	General Service < 50 kWh		18,400.00	0.00151	27.78	0.00	27.78
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	14,069.14		0.25974	3,654.29	7,879.69	11,533.98
FF1	General Service > 50 kWh	16,895.13		0.25974	4,388.31	0.00	4,388.31
FF2	General Service > 50 kWh	36,977.99		0.25974	9,604.59	0.00	9,604.59
ZFG	Retailer billed	1,856.91		0.25974	482.31	0.00	482.31
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,859.21		0.10038	688.55	1,646.65	2,335.20
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,281.43		0.49355	1,619.57	692.63	2,312.20
REL	TOU - On		0.00				
REL	TOU	393.60		0.70293	276.67	574.14	850.81
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	874.91		0.19263	168.54	397.04	565.57
	Sentinel Lighting *****	0.00	246.00	0.48366	0.00	49.89	49.89
Totals		81,208.32	18,297,552.00		57,795.01	44,980.36	102,775.36

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: March 2003

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		12,294,131.00	0.00232	28,476.09	24,204.53	52,680.62
AA2	Residential Seaforth		823,851.00	0.00291	2,396.95	140.25	2,537.20
AA3	Residential Hensall		432,334.00	0.00006	25.96	492.40	518.36
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		6,758,802.00	0.00151	10,213.24	8,903.14	19,116.38
GEN	General Service < 50 kWh		118,500.00	0.00151	179.07	0.00	179.07
CCC	General Service < 50 kWh		15,760.00	0.00151	23.80	0.00	23.80
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	14,704.90		0.25974	3,819.42	7,879.69	11,699.11
FF1	General Service > 50 kWh	17,504.11		0.25974	4,546.49	0.00	4,546.49
FF2	General Service > 50 kWh	36,870.15		0.25974	9,576.58	0.00	9,576.58
ZFG	Retailer billed	1,761.81		0.25974	457.61	0.00	457.61
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,823.07		0.10038	684.92	1,646.65	2,331.57
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,247.77		0.49355	1,602.95	692.63	2,295.59
REL	TOU - On		0.00				
REL	TOU	582.54		0.70293	409.48	574.14	983.63
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	879.07		0.19263	169.34	397.04	566.37
	Sentinel Lighting *****	0.00	246.00	0.48366	0.00	49.89	49.89
Totals		82,373.42	20,443,624.00		62,581.91	44,980.36	107,562.26

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: December 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		13,659,527.00	0.00232	31,638.67	24,204.53	55,843.20
AA2	Residential Seaforth		866,162.00	0.00291	2,520.05	140.25	2,660.30
AA3	Residential Hensall		447,571.00	0.00006	26.88	492.40	519.28
AA4			0.00				
AA5			0.00				
CCC	General Service < 50 kWh		7,007,842.00	0.00151	10,589.57	8,903.14	19,492.71
GEN	General Service < 50 kWh		118,500.00	0.00151	179.07	0.00	179.07
CCC	General Service < 50 kWh		18,080.00	0.00151	27.30	0.00	27.30
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	14,602.98		0.25974	3,792.95	7,879.69	11,672.64
FF1	General Service > 50 kWh	17,622.77		0.25974	4,577.31	0.00	4,577.31
FF2	General Service > 50 kWh	35,984.01		0.25974	9,346.42	0.00	9,346.42
ZFG	Retailer billed	1,787.70		0.25974	464.33	0.00	464.33
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,983.77		0.10038	701.05	1,646.65	2,347.70
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,843.20		0.49355	1,896.83	692.63	2,589.46
REL	TOU - On		0.00				
REL	TOU	449.03		0.70293	315.64	574.14	889.78
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	879.07		0.19263	169.34	397.04	566.37
	Sentinel Lighting	0.00	246.00	0.48366	0.00	49.89	49.89
Totals		82,152.53	22,117,928.00		66,245.40	44,980.36	111,225.75

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: December 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		13,075,904.00	0.00232	30,286.86	24,204.53	54,491.39
AA2	Residential Seaforth		768,827.00	0.00291	2,236.86	140.25	2,377.11
AA3	Residential Hensall		412,764.00	0.00006	24.79	492.40	517.19
AA4			0.00				
AA5			0.00				
CCC	General Service < 50 kWh		6,609,714.00	0.00151	9,987.96	8,903.14	18,891.10
GEN	General Service < 50 kWh		118,500.00	0.00151	179.07	0.00	179.07
CCC	General Service < 50 kWh		19,120.00	0.00151	28.87	0.00	28.87
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,772.82		0.25974	3,577.33	7,879.69	11,457.01
FF1	General Service > 50 kWh	18,214.40		0.25974	4,730.97	0.00	4,730.97
FF2	General Service > 50 kWh	35,886.69		0.25974	9,321.14	0.00	9,321.14
ZFG	Retailer billed	1,797.82		0.25974	466.96	0.00	466.96
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,751.50		0.10038	677.74	1,646.65	2,324.39
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,350.05		0.49355	1,653.43	692.63	2,346.07
REL	TOU - On		0.00				
REL	TOU	1,254.26		0.70293	881.66	574.14	1,455.80
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	879.07		0.19263	169.34	397.04	566.37
	Sentinel Lighting	0.00	209.96	0.48366	0.00	49.89	49.89
Totals		81,906.61	21,005,038.96		64,222.97	44,980.36	109,203.33

Festival		March 2002		April 2002		May 2002		June 2002		July 2002	
		Diff over (under) absorbed		Diff over (under) absorbed		Diff over (under) absorbed		Diff over (under) absorbed		Diff over (under) absorbed	
		Amount Recovered		Amount Recovered		Amount Recovered		Amount Recovered		Amount Recovered	
Code	Category	kW's	kWh's	kW's	kWh's	kW's	kWh's	kW's	kWh's	kW's	kWh's
AA1	Residential	(7,755,521.17)	12,292.06	(29,266.67)	48,341.27	(1,032,154.67)	46,018.35	(4,155,232.67)	#####	(761,118.67)	#####
AA2	Residential Seaforth	(466,837.25)	540.16	64,709.50	2,191.85	(86,682.50)	1,751.39	(637,968.50)	147.45	(70,284.50)	1,799.09
AA3	Residential Hensall	(245,607.92)	128.87	24,291.58	514.38	(41,629.42)	510.42	(340,557.42)	492.47	(33,267.42)	510.92
AA4	Residential Seaforth	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA5	Residential St. Marys	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CCC	General Service < 50 kWh	(4,394,008.50)	4,489.12	134,154.50	18,009.00	403,361.50	18,415.80	(3,870,307.50)	#####	0.00	#####
GEN	General Service < 50 kWh	30,334.50	45.84		178.57		174.22		18.03	(477,555.50)	178.57
CCC	General Service < 50 kWh										
FFF	General Service > 50 kWh										
FF1	General Service > 50 kWh										
FF2	General Service > 50 kWh										
FFF	General Service > 50 kWh	(66,610.24)	3,054.63	(50,631.93)	13,114.58	(55,654.91)	11,809.92	#####	9,254.98	(57,841.93)	#####
FF1	General Service > 50 kWh	5,570.20	1,446.79	16,456.76	4,274.45	217.92	56.60	18,033.09	4,683.88	19,378.26	5,033.27
FF2	General Service > 50 kWh	8,366.70	2,173.15	33,937.02	8,814.74	236.78	61.50	34,874.51	9,058.24	35,727.53	9,279.80
ZFF/ZFF1	Retailer billed	0.00	0.00	0.00	0.00	0.00	0.00	297.90	8.81	1,541.72	400.44
FAG	TOU - On										
FA1	TOU - Off										
FAG	TOU	(5,387.80)	579.89	351.48	2,391.01	(7,063.67)	1,646.65	466.32	2,402.54	553.44	2,411.28
HEN	TOU - On										
HR1	TOU - Off										
HEN	TOU	(2,379.00)	615.14	462.81	2,537.20	(3,274.50)	692.63	480.08	2,545.73	412.30	2,512.27
REL	TOU - On										
REL	TOU	(1,460.93)	456.27	(612.89)	1,482.99	(1,905.83)	574.14	(571.80)	1,511.87	(815.11)	1,340.84
LGH	Street Lighting - Winter										
	Street Lighting Summer										
	Street Lighting TOU	(883.33)	99.26	(883.33)	397.04	(883.33)	397.04	(883.33)	397.04	(12.69)	564.75
	Sentinel Lighting	(44.42)	12.47	(44.42)	49.89	(44.42)	49.89	(44.42)	49.89	(44.42)	49.89
	Totals	(62,828.81)	(12,831,640.33)	(964.50)	193,888.92	(68,371.96)	(757,105.08)	82,158.54	-12839.14 (9,004,066.08)	#####	(1,100.90) (1,342,226.08) #####
	Difference		77,915.75		311,663.00		313,435.00		0.00		152.00

Code	Aug 2002			Sept 2002			Oct 2002			Nov 2002			Dec 2002			Total for 2002	
	Diff over (under) absorbe Amount			Diff over (under) absorbe Amount			Diff over (under) absorbe Amount			Diff over (under) absorbt Amount			Diff over (under) absorb Amount			Diff over (under) absorbed	
	kW's	kWh's	Recoverd	kW's	kWh's	Recoverd	kW's	kWh's	Recoverd	kW's	kWh's	Recoverd	kW's	kWh's	Recoverd	kW's	kWh's
AA1	#####	52,642.38		#####	51,364.48		#####	#####		#####	47,332.44		#####	49,871.22		#####	439,219.40
AA2	12,311.50	2,039.40		62,816.50	2,186.34		16,687.50	2,052.13		#####	1,675.94		(21,500.50)	1,941.03		(1,239,361.75)	16,324.79
AA3	35,617.58	515.06		15,006.58	513.82		5,572.58	513.25		(63,218.42)	509.12		(7,084.42)	512.49		(650,876.67)	4,720.78
AA4	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00
AA5	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00
CCC	477,242.50	18,527.44		538,258.50	18,619.64		(20,325.50)	#####		#####	17,344.05		60,665.50	17,897.95		(6,976,846.50)	160,121.05
GEN	118,172.00	178.57		118,172.00	178.57		118,172.00	178.57		118,500.00	179.07		#####	179.07		144,295.00	1,489.07
CCC																	
FFF																	
FF1																	
FF2																	
FFF	#####	11,241.05		#####	11,459.78		#####	#####		#####	11,432.20		#####	11,426.51		(582,203.57)	105,525.94
FF1	19,384.02	5,034.77		19,352.77	5,026.65		19,329.41	5,020.59		20,292.78	5,270.81		18,731.85	4,865.38		156,747.06	40,713.19
FF2	35,334.20	9,177.64		35,935.44	9,333.80		35,713.55	9,276.17		35,748.48	9,285.24		35,801.58	9,299.04		291,675.79	75,759.33
	1,812.34	470.73		1,871.62	486.13		1,753.22	1,871.62		1,619.86	420.74		1,429.02	371.17		10,325.68	2,613.41
FAG																	
FA1																	
FAG	615.68	2,417.53		645.53	2,420.53		599.38	2,415.89		443.26	2,400.22		(213.51)	2,334.29		(8,989.86)	21,419.83
HEN																	
HR1																	
HEN	352.24	2,482.63		267.57	2,440.84		200.16	2,407.57		267.57	2,440.84		130.36	2,373.12		(3,080.41)	21,047.97
REL																	
REL	(724.90)	1,404.25		(753.21)	1,384.35		(621.00)	1,477.29		(229.40)	1,752.55		(119.33)	1,829.92		(7,814.43)	13,214.47
LGH																	
	(12.69)	564.75		(12.69)	564.75		(12.69)	564.75		(9.33)	565.40		2,597.85	1,067.62		(995.59)	5,182.39
	(44.42)	49.89		(44.42)	49.89		(44.42)	49.89		(44.42)	49.89		(1.76)	0.00	70.52	(401.51)	482.09
	(1,128.60)	#####	#####	259.65	#####	106,029.57	32.71	(951,700.08)	#####	979.68	#####	#####	1,225.01	#####	#####	(144,736.83)	#####
	152.00			152.00			152.00			152.00			152.00			703,925.75	

Streelight kWl 703,013.75
Convert to kW divide by 360
1,952.82
Included in Dec-LGH kW
Sent Light kW 912.00
Dec adjustme 14,446.45
Total 15,358.45
Convert to kW divide by 360
Included in Dec-SLG kW 42.66

Festival Hydro Inc.
2002 PIL Recovery
Determination of amount to be recovered

Festival		From Form 6 of the PIL calculation		From Form 6 Amount to be recovered via rates-Total	From Form 6 Amount to be recovered via rates - Variable	Variable charge Amount to be recovered per kW's	per kWh's	Monthly budgeted amount to be recovered		From Form 6 Amount to be recovered via rates - Fixed	Fixed amount being recovered monthly
Code	Category	kW's	kWh's					kW's	kWh's		
AA1/AA5	Residential		125,399,384.00	580,908.73	290,454.37		0.00232		10,449,948.67	290,454.36	24,204.53
AA2/AA4	Residential Seaforth		7,685,310.00	24,043.00	22,359.99		0.00291		640,442.50	1,683.01	140.25
AA3	Residential Hensall		4,099,937.00	6,155.00	246.20		0.00006		341,661.42	5,908.80	492.40
AA4											
AA5										0.00	
CCC	General Service < 50 kWh		70,701,786.00	213,675.33	106,837.66		0.00151		5,891,815.50	106,837.67	8,903.14
GEN	General Service < 50 kWh		0.00								
CCC	General Service < 50 kWh	0.00									
FFF	General Service > 50 kWh		0.00								
FF1	General Service > 50 kWh		0.00								
FF2	General Service > 50 kWh		0.00								
FFF	General Service > 50 kWh	849,437.00		315,187.42	220,631.20	0.25974		70,786.42		94,556.22	7,879.69
FF1	General Service > 50 kWh	0.00									
FF2	General Service > 50 kWh	0.00									
	Standby Service										
FAG	TOU - On		0.00								
FA1	TOU - Off		0.00								
FAG	TOU	84,764.00	0.00	28,268.70	8,508.88	0.10038		7,063.67		19,759.82	1,646.65
HEN	TOU - On		0.00								
HR1	TOU - Off		0.00								
HEN	TOU	39,294.00		27,705.36	19,393.75	0.49355		3,274.50		8,311.61	692.63
REL	TOU - On		0.00								
REL	TOU	22,870.00		22,965.68	16,075.98	0.70293		1,905.83		6,889.70	574.14
	Street Lighting - Winter										
	Street Lighting Summer										
LGH	Street Lighting TOU	10,600.00		6,806.34	2,041.90	0.19263		883.33		4,764.44	397.04
	Sentinel Lighting	533.00		856.44	257.79	0.48366		44.42		598.65	49.89
	Totals	1,007,498.00	207,886,417.00	1,226,572.00	686,807.72					539,764.28	44,980.36
	Balance per report	1,007,498.00	207,886,417.00	1,226,572.00	686,807.72			83,958.17	17,323,868.08	539,764.29	44,980.36
								x 12 mths	x 12 mths		x 12 mths
		0.00	0.00	0.00				<u>1,007,498.00</u>	<u>207,886,417.00</u>		<u>539,764.28</u>

Festival Hydro Inc.
2002 PIL Recovery
Period: December 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		11,081,213.00	0.00232	25,666.69	24,204.53	49,871.22
AA2	Residential Seaforth		618,942.00	0.00291	1,800.78	140.25	1,941.03
AA3	Residential Hensall		334,577.00	0.00006	20.09	492.40	512.49
AA4			0.00				
AA5			0.00				
CCC	General Service < 50 kWh		5,952,481.00	0.00151	8,994.81	8,903.14	17,897.95
GEN	General Service < 50 kWh		118,500.00	0.00151	179.07	0.00	179.07
CCC	General Service < 50 kWh						
FFF	General Service > 50 kWh						
FF1	General Service > 50 kWh						
FF2	General Service > 50 kWh						
FFF	General Service > 50 kWh	13,655.37		0.25974	3,546.82	7,879.69	11,426.51
FF1	General Service > 50 kWh	18,731.85		0.25974	4,865.38	0.00	4,865.38
FF2	General Service > 50 kWh	35,801.58		0.25974	9,299.04	0.00	9,299.04
ZFG	Retailer billed	1,429.02		0.25974	371.17	0.00	371.17
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	6,850.16		0.10038	687.64	1,646.65	2,334.29
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,404.86		0.49355	1,680.49	692.63	2,373.12
REL	TOU - On		0.00				
REL	TOU	1,786.50		0.70293	1,255.78	574.14	1,829.92
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	3,481.18		0.19263	670.59	397.04	1,067.62
	Sentinel Lighting	42.66	152.00	0.48366	20.63	49.89	70.52
Totals		85,183.18	18,105,865.00		59,058.96	44,980.36	104,039.32

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Period: November 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		9,985,133.00	0.00232	23,127.91	24,204.53	47,332.44
AA2	Residential Seaforth		527,829.00	0.00291	1,535.69	140.25	1,675.94
AA3	Residential Hensall		278,443.00	0.00006	16.72	492.40	509.12
AA4			0.00				
AA5			0.00				
CCC	General Service < 50 kWh		5,585,928.00	0.00151	8,440.91	8,903.14	17,344.05
GEN	General Service < 50 kWh		118,500.00	0.00151	179.07	0.00	179.07
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,677.30		0.25974	3,552.52	7,879.69	11,432.20
FF1	General Service > 50 kWh	20,292.78		0.25974	5,270.81	0.00	5,270.81
FF2	General Service > 50 kWh	35,748.48		0.25974	9,285.24	0.00	9,285.24
ZFG	Retailer billed	1,619.86		0.25974	420.74	0.00	420.74
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,506.93		0.10038	753.57	1,646.65	2,400.22
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,542.07		0.49355	1,748.21	692.63	2,440.84
REL	TOU - On		0.00				
REL	TOU	1,676.43		0.70293	1,178.41	574.14	1,752.55
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	874.00		0.19263	168.36	397.04	565.40
	Sentinel Lighting	0.00	152.00	0.48366	0.00	49.89	49.89
Totals		84,937.85	16,495,985.00		55,678.15	44,980.36	100,658.51

Festival Hydro Inc.
2002 PIL Recovery
Period: October 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		9,378,142.00	0.00232	21,721.98	24,204.53	45,926.51
AA2	Residential Seaforth		657,130.00	0.00291	1,911.88	140.25	2,052.13
AA3	Residential Hensall		347,234.00	0.00006	20.85	492.40	513.25
AA4			0.00				
AA5			0.00				
CCC	General Service < 50 kWh		5,871,490.00	0.00151	8,872.42	8,903.14	17,775.56
GEN	General Service < 50 kWh		118,172.00	0.00151	178.57	0.00	178.57
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,901.52		0.25974	3,610.76	7,879.69	11,490.44
FF1	General Service > 50 kWh	19,329.41		0.25974	5,020.59	0.00	5,020.59
FF2	General Service > 50 kWh	35,713.55		0.25974	9,276.17	0.00	9,276.17
ZFG	Retailer billed	1,753.22		0.25974	455.38	0.00	455.38
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,663.05		0.10038	769.24	1,646.65	2,415.89
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,474.66		0.49355	1,714.94	692.63	2,407.57
REL	TOU - On		0.00				
REL	TOU	1,284.83		0.70293	903.14	574.14	1,477.29
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	870.64		0.19263	167.71	397.04	564.75
	Sentinel Lighting	0.00	152.00	0.48366	0.00	49.89	49.89
Totals		83,990.88	16,372,320.00		54,623.63	44,980.36	99,603.99

Festival Hydro Inc.
2002 PIL Recovery
Period: September 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		11,725,906.00	0.00232	27,159.95	24,204.53	51,364.48
AA2	Residential Seaforth		703,259.00	0.00291	2,046.09	140.25	2,186.34
AA3	Residential Hensall		356,668.00	0.00006	21.42	492.40	513.82
AA4			0.00				
AA5			0.00				
CCC	General Service < 50 kWh		6,430,074.00	0.00151	9,716.50	8,903.14	18,619.64
GEN	General Service < 50 kWh		118,172.00	0.00151	178.57	0.00	178.57
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,783.46		0.25974	3,580.09	7,879.69	11,459.78
FF1	General Service > 50 kWh	19,352.77		0.25974	5,026.65	0.00	5,026.65
FF2	General Service > 50 kWh	35,935.44		0.25974	9,333.80	0.00	9,333.80
ZFG	Retailer billed	1,871.62		0.25974	486.13	0.00	486.13
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,709.20		0.10038	773.87	1,646.65	2,420.53
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,542.07		0.49355	1,748.21	692.63	2,440.84
REL	TOU - On		0.00				
REL	TOU	1,152.62		0.70293	810.21	574.14	1,384.35
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	870.64		0.19263	167.71	397.04	564.75
	Sentinel Lighting	0.00	152.00	0.48366	0.00	49.89	49.89
Totals		84,217.82	19,334,231.00		61,049.21	44,980.36	106,029.57

Festival Hydro Inc.
2002 PIL Recovery
Period: August 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		12,277,623.00	0.00232	28,437.85	24,204.53	52,642.38
AA2	Residential Seaforth		652,754.00	0.00291	1,899.15	140.25	2,039.40
AA3	Residential Hensall		377,279.00	0.00006	22.66	492.40	515.06
AA4							
AA5							
CCC	General Service < 50 kWh		6,369,058.00	0.00151	9,624.30	8,903.14	18,527.44
GEN	General Service < 50 kWh		118,172.00	0.00151	178.57	0.00	178.57
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	12,941.35		0.25974	3,361.36	7,879.69	11,241.05
FF1	General Service > 50 kWh	19,384.02		0.25974	5,034.77	0.00	5,034.77
FF2	General Service > 50 kWh	35,334.20		0.25974	9,177.64	0.00	9,177.64
ZFG	Retailer billed	1,812.34		0.25974	470.73	0.00	470.73
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,679.35		0.10038	770.88	1,646.65	2,417.53
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,626.74		0.49355	1,790.00	692.63	2,482.63
REL	TOU - On		0.00				
REL	TOU	1,180.93		0.70293	830.11	574.14	1,404.25
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	870.64		0.19263	167.71	397.04	564.75
	Sentinel Lighting	0.00	152.00	0.48366	0.00	49.89	49.89
Totals		82,829.57	19,795,038.00		61,765.73	44,980.36	106,746.09

Festival Hydro Inc.
2002 PIL Recovery
Period: July 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		9,688,830.00	0.00232	#####	24,204.53	46,646.13
AA2	Residential Seaforth		570,158.00	0.00291	1,658.84	140.25	1,799.09
AA3	Residential Hensall		308,394.00	0.00006	18.52	492.40	510.92
AA4							
AA5							
CCC	General Service < 50 kWh		5,414,260.00	0.00151	8,181.50	8,903.14	17,084.64
GEN	General Service < 50 kWh		118,172.00	0.00151	178.57	0.00	178.57
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	12,944.49		0.25974	3,362.18	7,879.69	11,241.86
FF1	General Service > 50 kWh	19,378.26		0.25974	5,033.27	0.00	5,033.27
FF2	General Service > 50 kWh	35,727.53		0.25974	9,279.80	0.00	9,279.80
ZFF/ZFF1	Retailer billed	1,541.72		0.25974	400.44	0.00	400.44
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,617.11		0.10038	764.63	1,646.65	2,411.28
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,686.80		0.49355	1,819.64	692.63	2,512.27
REL	TOU - On		0.00				
REL	TOU	1,090.72		0.70293	766.70	574.14	1,340.84
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	870.64	0.00	0.19263	167.71	397.04	564.75
	Sentinel Lighting		152.00	0.48366	0.00	49.89	49.89
	Totals	82,857.27	16,099,966.00		#####	44,980.36	99,053.77

Festival Hydro Inc.
2002 PIL Recovery
Period: Jun 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered	Fixed monthly recovery	
AA1	Residential		6,294,716.00	0.00232	#####	24,204.53	38,784.57
AA2	Residential Seaforth		2,474.00	0.00291	7.20	140.25	147.45
AA3	Residential Hensall		1,104.00	0.00006	0.07	492.40	492.47
AA4	Residential Seaforth		0.00	0.00291	0.00		0.00
AA5	Residential St. Marys		0.00	0.00006	0.00		0.00
CCC	General Service < 50 kWh		2,021,508.00	0.00151	3,054.71	8,903.14	11,957.85
GEN	General Service < 50 kWh		11,932.00	0.00151	18.03	0.00	18.03
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	5,294.93		0.25974	1,375.30	7,879.69	9,254.98
FF1	General Service > 50 kWh	18,033.09		0.25974	4,683.88	0.00	4,683.88
FF2	General Service > 50 kWh	34,874.51		0.25974	9,058.24	0.00	9,058.24
ZFF/ZFF1		297.90		0.02957	8.81	0.00	8.81
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,529.99		0.10038	755.88	1,646.65	2,402.54
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,754.58		0.49355	1,853.09	692.63	2,545.73
REL	TOU - On		0.00				
REL	TOU	1,334.03		0.70293	937.73	574.14	1,511.87
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU		0.00	0.19263	0.00	397.04	397.04
	Sentinel Lighting		0.00	0.48366	0.00	49.89	49.89
Totals		71,119.03	8,331,734.00		#####	44,980.36	81,313.33

Festival Hydro Inc.
2002 PIL Recovery
Period: May 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		9,417,794.00	0.00232	#####	24,204.53	46,018.35
AA2	Residential Seaforth		553,760.00	0.00291	1,611.13	140.25	1,751.39
AA3	Residential Hensall		300,032.00	0.00006	18.02	492.40	510.42
AA4	Residential Seaforth		0.00	0.00291	0.00		0.00
AA5	Residential St. Marys		0.00	0.00006	0.00		0.00
CCC	General Service < 50 kWh		6,295,177.00	0.00151	9,512.66	8,903.14	18,415.80
GEN	General Service < 50 kWh		115,294.00	0.00151	174.22	0.00	174.22
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	15,131.51		0.25974	3,930.23	7,879.69	11,809.92
FF1	General Service > 50 kWh	217.92		0.25974	56.60	0.00	56.60
FF2	General Service > 50 kWh	236.78		0.25974	61.50	0.00	61.50
						0.00	0.00
	Standby Service						
FAG	TOU - On						
FA1	TOU - Off						
FAG	TOU	0.00		0.10038	0.00	1,646.65	1,646.65
HEN	TOU - On						
HR1	TOU - Off						
HEN	TOU	0.00		0.49355	0.00	692.63	692.63
REL	TOU - On						
REL	TOU	0.00		0.70293	0.00	574.14	574.14
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU		313,435.00	0.19263	0.00	397.04	397.04
	Sentinel Lighting			0.48366	0.00	49.89	49.89
	Totals	15,586.21	16,995,492.00		#####	44,980.36	82,158.54

Balance per report

Festival Hydro Inc.
2002 PIL Recovery
Period: April 2002

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		10,420,682.00	0.00232	24,136.74	24,204.53	48,341.27
AA2	Residential Seaforth		705,152.00	0.00291	2,051.60	140.25	2,191.85
AA3	Residential Hensall		365,953.00	0.00006	21.98	492.40	514.38
AA4	Residential Seaforth		0.00	0.00291	0.00		0.00
AA5	Residential St. Marys		0.00	0.00006	0.00		0.00
CCC	General Service < 50 kWh		6,025,970.00	0.00151	9,105.86	8,903.14	18,009.00
GEN	General Service < 50 kWh		118,172.00	0.00151	178.57	0.00	178.57
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	20,154.49		0.25974	5,234.89	7,879.69	13,114.58
FF1	General Service > 50 kWh	16,456.76		0.25974	4,274.45	0.00	4,274.45
FF2	General Service > 50 kWh	33,937.02		0.25974	8,814.74	0.00	8,814.74
						0.00	0.00
	Standby Service						
FAG	TOU - On		0.00				
FA1	TOU - Off		0.00				
FAG	TOU	7,415.15		0.10038	744.36	1,646.65	2,391.01
HEN	TOU - On		0.00				
HR1	TOU - Off		0.00				
HEN	TOU	3,737.31		0.49355	1,844.57	692.63	2,537.20
REL	TOU - On		0.00				
REL	TOU	1,292.94		0.70293	908.84	574.14	1,482.99
	Street Lighting - Winter						
	Street Lighting Summer		0.00				
LGH	Street Lighting TOU		311,663.00	0.19263	0.00	397.04	397.04
	Sentinel Lighting			0.48366	0.00	49.89	49.89
	Totals	82,993.67	17,947,592.00		57,316.60	44,980.36	102,296.95

Balance per report

Festival Hydro Inc.
2002 PIL Recovery
Period: March 2002

...

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered Variable	Fixed month recovery	Total recovery
Code	Category	kW's	kWh's				
AA1	Residential		2,694,427.50	0.00232	6,240.93	6,051.13	12,292.06
AA2	Residential Seaforth		173,605.25	0.00291	505.09	35.06	540.16
AA3	Residential Hensall		96,053.50	0.00006	5.77	123.10	128.87
AA4	Residential Seaforth		0.00	0.00291	0.00		0.00
AA5	Residential St. Marys		0.00	0.00006	0.00		0.00
CCC	General Service < 50 kWh		1,497,807.00	0.00151	2,263.34	2,225.78	4,489.12
GEN	General Service < 50 kWh		30,334.50	0.00151	45.84	0.00	45.84
CCC	General Service < 50 kWh	0.00					
FFF	General Service > 50 kWh						
FF1	General Service > 50 kWh						
FF2	General Service > 50 kWh						
FFF	General Service > 50 kWh	4,176.18		0.25974	1,084.71	1,969.92	3,054.63
FF1	General Service > 50 kWh	5,570.20		0.25974	1,446.79	0.00	1,446.79
FF2	General Service > 50 kWh	8,366.70		0.25974	2,173.15	0.00	2,173.15
						0.00	0.00
	Standby Service						
FAG	TOU - On		.				
FA1	TOU - Off		.				
FAG	TOU	1,675.87		0.10038	168.23	411.66	579.89
HEN	TOU - On						
HR1	TOU - Off						
HEN	TOU	895.50		0.49355	441.98	173.16	615.14
REL	TOU - On						
REL	TOU	444.90		0.70293	312.73	143.54	456.27
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU		77,915.75	0.19263	0.00	99.26	99.26
	Sentinel Lighting			0.48366	0.00	12.47	12.47
	Totals	21,129.35	4,570,143.50		14,688.57	11,245.09	25,933.66

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Financial Statements of

FESTIVAL HYDRO INC.

Year ended December 31, 2003



KPMG LLP
Chartered Accountants
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London ON N6A 5P2
Canada

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AUDITORS' REPORT

To the Shareholder of Festival Hydro Inc.:

We have audited the balance sheet of Festival Hydro Inc. as at December 31, 2003 and the statements of earnings, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company'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 Festival Hydro Inc. 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.

The comparative figures were audited by another firm of Chartered Accountants.

Chartered Accountants

London, Canada

March 19, 2004, except for note 2 which is as of September 20, 2004.

FESTIVAL HYDRO INC.

Balance Sheet

December 31, 2003, with comparative figures for 2002

	2003	2002 (as restated)
Assets		
Current assets:		
Cash	\$ 6,003,841	\$ 2,863,462
Accounts receivable	3,301,120	3,760,841
Due from Festival Hydro Services Inc. (note 13)	-	54,319
Inventory	994,874	900,045
Prepaid expenses	206,246	228,953
Unbilled revenue	4,304,302	3,859,867
	14,810,383	11,667,487
Treasury bills (note 14)	1,832,932	2,346,255
Property, plant and equipment (note 3)	27,632,957	27,325,837
Regulatory assets, net (note 4)	433,100	1,019,960
Goodwill	515,359	515,359
Prepaid pension costs	117,000	117,000
Organization costs, net of accumulated amortization of \$104,577 (2002 - \$74,517)	196,023	226,083
	\$ 45,537,754	\$ 43,217,981

Liabilities and Shareholder's Equity

Current liabilities:		
Accounts payable and current liabilities	\$ 6,416,046	\$ 4,936,460
Due to the Corporation of the City of Stratford	28,290	605,526
Payments in-lieu of corporate taxes	1,120,284	137,074
Accrued vacation, wages and benefits	256,848	256,522
Demand notes payable (note 5)	15,600,000	15,600,000
Current portion of customers deposit	117,349	119,327
Due to Festival Hydro Services Inc. (note 13)	7,375	-
	23,546,192	21,654,909
Post employment benefits (note 6)	1,109,000	1,039,000
Customer deposits	119,519	73,198
Shareholder's equity:		
Share capital (note 7)	19,637,111	19,637,111
Retained earnings	1,125,932	813,763
	20,763,043	20,450,874
Commitments (note 14)		
	\$ 45,537,754	\$ 43,217,981

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

FESTIVAL HYDRO INC.

Statement of Earnings

Year ended December 31, 2003, with comparative figures for 2002

	2003	2002 (as restated)
Revenue:		
Power	\$ 8,115,253	\$ 7,772,872
Interest	275,802	297,089
Miscellaneous	217,939	103,984
Late payment and other customer charges	118,232	104,841
Rentals	106,322	90,835
	8,833,548	8,369,621
Expenses:		
Operating and maintenance	935,463	1,169,856
Billing, data processing and collection	893,304	885,576
Administrative	1,257,857	1,210,146
Amortization of property, plant and equipment	2,010,757	2,117,124
Amortization of organization costs	30,060	30,060
	5,127,441	5,412,762
Earnings before the undernoted	3,706,107	2,956,859
Interest expense	1,134,066	1,058,246
Earnings before payments in lieu of corporate income taxes	2,572,041	1,898,613
Provision for payments in lieu of corporate income taxes (note 8)	1,234,000	895,680
Net earnings	\$ 1,338,041	\$ 1,002,933

See accompanying notes to financial statements.

FESTIVAL HYDRO INC.

Statement of Retained Earnings

Year ended December 31, 2003, with comparative figures for 2002

	2003	2002
		(as restated)
Retained earnings, beginning of year	\$ 813,763	\$ 115,830
Net earnings, as restated (note 2)	1,338,041	1,002,933
Dividends paid	(1,025,872)	(305,000)
Retained earnings, end of year	\$ 1,125,932	\$ 813,763

See accompanying notes to financial statements.

FESTIVAL HYDRO INC.

Statement of Cash Flows

Year ended December 31, 2003, with comparative figures for 2002

	2003	2002
Cash provided by (used in):		
Operating activities:		
Net earnings	\$ 1,338,041	\$ 1,002,933
Adjustment for:		
Amortization	2,040,817	2,147,184
Change in non-cash operating working capital (note 12)	1,890,746	(1,075,638)
	5,269,604	2,074,479
Financing activities:		
Proceeds from demand note payable	-	1,700,000
Treasury bills	513,323	(2,346,255)
Customer deposits	44,343	64,106
Post employment benefits	70,000	31,029
Redemption of Class A special shares	-	(1,700,000)
Dividends paid	(1,025,872)	(305,000)
	(398,206)	(2,556,120)
Investing activities:		
Purchase of property, plant and equipment and plant retirement	(2,317,879)	(2,385,881)
Organization costs	-	(2,397)
Regulatory assets	586,860	(1,097,138)
	(1,731,019)	(3,485,416)
Increase (decrease) in cash	3,140,379	(3,967,057)
Cash, beginning of year	2,863,462	6,830,519
Cash, end of year	\$ 6,003,841	\$ 2,863,462
Supplemental cash flow information:		
Taxes paid	\$ 930,427	\$ 986,318
Interest paid	\$ 1,133,986	\$ 1,058,068

See accompanying notes to financial statements.

FESTIVAL HYDRO INC.

Notes to Financial Statements

Year ended December 31, 2003

Festival Hydro Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) pursuant to Section 142 of the Electricity Act 1998 on July 11, 2000. The Corporation of the City of Stratford (the "City") passed a bylaw pursuant to Section 145 of the Electricity Act 1998 transferring certain assets and liabilities used in connection with the sale of electricity and electrical distribution systems from the Stratford Public Utility Commission – Electric Department (the "Corporation"). In exchange for these assets the City received a promissory note and 10,001 common shares. This business is regulated by the Ontario Energy Board ("OEB").

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") including accounting principles prescribed by the OEB in the handbook Accounting Procedures Handbook for Electric Distribution Utilities ("AP Handbook") and reflect the significant accounting policies as summarized below:

(a) Revenue recognition:

In accordance with OEB regulation, the Company recognizes as revenue the regulated distribution tariffs associated with energy distributed and variances between energy purchase costs and energy billed are recorded as regulatory assets or liabilities for future rate application consideration.

The Company follows the practice of cycle billing customers' accounts and revenue is recognized in the period billed. An accrual is made in the accounts at December 31, for power supplied but not billed to customers between the date the meters were last read and the end of the year.

(b) Inventory:

Inventory consists of parts, supplies and material held for the future capital expansion and are valued at the lower of average weighted cost and net realizable value.

(c) Organization costs:

Costs incurred for the amalgamation of the corporations, 1438188 Ontario Inc., 1438189 Ontario Inc., 1438190 Ontario Inc., 1438191 Ontario Inc., 1438192 Ontario Inc., 1438193 Ontario Inc. and Festival Hydro Inc., are being amortized over ten years on a straight-line basis.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

1. Significant accounting policies (continued):

(d) Property, plant and equipment:

Property, plant and equipment assets are recorded in the accounts at cost and are amortized on a straight-line basis at varying rates estimated to write-off the cost of each asset over its useful life. The assets and rates are as follows.

Asset	Rate
Distribution lines, underground	4 %
Distribution lines, overhead	4 %
Transformers	4 %
Meters	4 %
Buildings	2 %
Transportation equipment	12.5 or 20 %
Transmission, underground	4 %
Computer equipment	20 %
Office equipment	10 %
Miscellaneous assets	10 %

Maintenance and repair items are expensed as incurred. Additions, renewals or betterments are capitalized. Any normal gain or loss on sale or retirement of buildings or equipment is included in operating revenues/costs in the year of disposal.

(e) Post employment benefits:

Employee future benefits provided by Festival Hydro Inc. include medical and life insurance benefits. These plans provide benefits to certain employees when they no longer provide active service. Employee future benefit expense is recognized in the period in which the employees render the services.

Employee future benefits are recorded on an accrual basis. The accrued benefit obligations and current service costs are calculated using the projected benefits method pro-rated on service and based on assumptions that reflect management's best estimate. 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. Actuarial gains (losses) are amortized into expense over the average remaining service period of active employees to full eligibility.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

1. Significant accounting policies (continued):

(f) Payments-in-lieu of corporate income taxes and capital taxes:

The current tax-exempt status of the Company under the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) reflects the fact that the Company is wholly owned by a municipality. This tax-exempt status might be lost in a number of circumstances, including if the municipality ceases to own 90% or more of the shares or capital of the Company, or if a non-government entity has rights immediately or in the future, either absolutely or contingently, to acquire more than 10% of the shares of the Company.

Commencing October 1, 2001, the Company is required, under the Electricity Act, 1998 to make payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation. 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.

As a result of becoming subject to payments in lieu of corporate income taxes ("PILs"), the Company's taxation year was deemed to have ended immediately beforehand and a new taxation year was deemed to have commenced immediately thereafter. The Company was therefore deemed to have disposed of each of its assets at their then fair market value and to have reacquired such assets at that same amount for purposes of computing its future income subject to PILs. For purposes of certain provisions, the Company was deemed to be a new company and, as a result, tax credits or tax losses not previously utilized by the Company would not be available to it after the change in tax status. Essentially, the Company was taxed as through it had a "fresh start" at the time of its change in tax status.

The Company provides for PILs relating to its regulated business using the taxes payable method as allowed by the OEB. Under the taxes payable method, no provisions are booked for temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes as a result of temporary differences between tax basis and accounting purposes become payable, they will be charged to the statement of operations at that time.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

1. Significant accounting policies (continued):

(g) Contributed capital:

Prior to January 1, 2000, contractor's capital contributions toward the construction or acquisition of capital assets by the Corporation were referred to as miscellaneous paid-in capital and disclosed as a permanent component of utility equity.

Effective May 1, 2000, the Company prospectively adopted the change in accounting policy for contributions received in aid of construction (contributed capital), as prescribed by the OEB "Accounting Procedures Handbook for Electric Distribution Utilities". Contributed capital contributions are required contributions received from outside sources, used to finance additions to capital assets. Contributed capital contributions received are treated as a "credit" contra account included in the determination of capital assets. The amount is subsequently amortized by a charge to accumulated amortization and a credit to amortization expense, at an equivalent rate to that used for the amortization of the related capital assets.

(h) Customers deposits:

Customer deposits are cash collections from customers to guarantee the payment of energy bills. Deposits expected to be refunded to customers within the next fiscal year are classified as a current liability.

(i) Goodwill:

Goodwill represents the excess of cost over fair value of net assets of businesses acquired. The carrying value of goodwill is evaluated for impairment on an annual basis, or more frequently if circumstances require, with any write-down of the carrying value of goodwill being charged against the results of operations. The Company has determined that goodwill is not impaired.

(j) Related party transactions:

Transactions with related parties represent the culmination of the earnings process and are measured at the exchange amount agreed to by the parties.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

1. Significant accounting policies (continued):

(k) Financial instruments:

The Company's financial instruments consist of accounts receivable, bank borrowings and accounts payable. Management is of the opinion that the fair values of all financial assets and liabilities are not materially different from their carrying values.

The carrying value of the demand notes payable approximate their fair value as repayment of the demand note is indefinite at this time.

(l) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Retroactive adjustment:

The Corporation has restated its December 31, 2002 financial statements to correct an error in the calculation of the provision for payments in lieu of corporate income taxes. The impact of the restatement was an increase to payment in lieu of corporate taxes and the provision for payments in lieu of corporate income taxes in the amount of \$616,000.

3. Property, plant and equipment:

			2003	2002
	Cost	Accumulated amortization	Net book value	Net book value
Distribution lines, underground	\$ 18,287,753	\$ 8,838,587	\$ 9,449,166	\$ 9,859,255
Distribution lines, overhead	13,057,442	5,089,838	7,967,604	6,985,955
Transformers	10,826,010	5,374,853	5,451,157	5,622,468
Services	3,455,710	1,543,669	1,912,041	1,859,853
Meters	2,815,736	1,600,027	1,215,709	1,081,236
Buildings	2,134,014	827,593	1,306,421	1,297,414
Transportation equipment	2,065,571	1,873,220	192,351	293,452
Distribution equipment	1,697,625	1,067,249	630,376	676,049
Computer equipment	1,249,830	927,054	322,776	178,748
Miscellaneous assets	578,157	457,614	120,543	129,417
Office equipment	428,714	343,236	85,478	104,738
Contributions, capital	(1,138,190)	(117,525)	(1,020,665)	(762,748)
	\$ 55,458,372	\$ 27,825,415	\$ 27,632,957	\$ 27,325,837

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

4. Regulatory assets:

Regulatory assets and liabilities arise as a result of the rate-setting process. Festival Hydro Inc. has recorded the following assets and liabilities:

	2003	2002
Assets:		
Post-market opening retail settlement variances:		
Wholesale market charges	\$ 850,097	\$ 819,373
Cost of power variance	49,401	214,452
Retail settlement variance accounts	116,934	64,670
Deferred payments in lieu of corporate income taxes	50,953	15,868
Commodity rebate costs	28,183	21,276
Qualifying transitional costs recoverable:		
Transition costs	273,738	291,882
	1,369,306	1,427,521
Liabilities:		
Post-market opening transmission network and connection charges	(546,564)	(70,671)
Pre-market opening cost of power variance	(182,229)	(182,229)
	(728,793)	(252,900)
Less provision for unrecoverable interest	(207,413)	(154,661)
	\$ 433,100	\$ 1,019,960

Regulatory assets represent costs incurred by the Corporation for the purpose of supporting the deregulation of the electricity industry in Ontario. These amounts have been accumulated pursuant to regulation underlying the EA and deferred in anticipation of their future recovery in electricity distribution service charges.

Qualifying transitional costs recoverable - represent specific and incremental costs to the Corporation for systems and process changes to support the opening of the competitive electricity market in Ontario on May 1, 2002 ("Market Opening"). These costs have been deferred pursuant to regulation underlying the EA and are subject to review and approval for recovery by the OEB. Expenditures determined to be ineligible for recovery will be expensed in the period of such determination.

Pre-market opening cost of power variance - represent the excess of the cost of the commodity electricity to the Corporation over the amount billed to its customers prior to Market Opening.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

4. Regulatory assets (continued):

Post-market opening retail settlement variances - represent amounts that have accumulated since Market Opening and comprise:

- (a) variances between amounts charged by the Independent Electricity Market Operator ("IMO") for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission charges, and the amounts billed to customers by the Corporation based on the OEB approved wholesale market service rate; and
- (b) variances between the amounts charged by the IMO to allow for purchases of electricity and the amounts billed to customers by the Corporation based on OEB approved rates.
- (c) Deferred payments in lieu of corporate income taxes – represent variances that result from the difference between OEB approved PILs recoverable in electricity distribution services charges and the actual amount of these charges to customers that relates to the recovery of PILs.

Restructuring of the electricity industry in Ontario

The Ontario Energy Board Act, 1998 (Ontario) ("OEBA"), conferred on the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity consumers, and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions to electricity distributors which may include, among other things, specified accounting records, regulatory accounting principles, separation of accounts for distinct businesses and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory treatments that may result in accounting treatments that differ from Canadian GAAP for enterprises operating in a non-rate regulated environment.

In response to volatile and rising electricity prices in 2002, the Province of Ontario enacted The Electricity Pricing, Conservation and Supply Act, 2002 ("EPCSA"). Under the EPCSA, the electricity distribution rates charged by the Corporation were effectively frozen at current levels until 2006. The EPCSA directed electricity distribution utilities, such as the Corporation, to continue deferral of regulatory assets.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

4. Regulatory assets (continued):

Restructuring of the electricity industry in Ontario (continued)

On December 18, 2003, a newly elected and currently ruling government in the Province passed legislation, the *Ontario Energy Board Amendment Act (Electricity Pricing)*, 2003 (the "Amendment Act"), which is based on a principle that the price of electricity should better reflect its true cost. The Amendment Act, which has not yet been proclaimed in force, will effectively remove the cap on the commodity price of electricity imposed by the EPCSA in favour of an interim two tiered and fixed commodity price structure. For residential and small commercial customers, the fixed commodity price will be 4.7¢ per kWh for the first 750 kWh of consumption per month and 5.5¢ per kWh for any incremental monthly consumption thereafter. The interim structure will remain in place until no later than May 1, 2005 after which the OEB will assume responsibility for setting the commodity price for electricity under a process yet to be developed.

In conjunction with the passing of the Amendment Act, the Minister of Energy issued a letter dated December 19, 2003 (the "Minister's Letter") stating an intention to allow electricity distribution companies to recover regulatory assets and proceed to earn the original, full regulatory rate of return as follows:

- Commencing in fiscal 2004, electricity distribution companies were permitted through a rate filing with the OEB in accordance with its prescribed rate filing guidelines, to request rate increases to permit the recovery of regulatory assets over a four year period. The Corporation filed a rate application with the OEB in January, 2004 and anticipates recovering its regulatory assets over a four year period commencing April 1, 2004 with such recovery subject to the OEB's approval following its review of these amounts;
- Commencing March 1, 2005, electricity distribution companies will be permitted to adjust rates to achieve the full theoretical regulatory rate of return, currently 9.88%. However, the Minister's Letter imposes a condition the electricity distribution companies invest the equivalent of one year of the amount of the adjustment in conservation and demand side management initiatives, to be prescribed in future regulation.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

5. Demand notes payable:

	2003	2002
Demand notes payable to shareholder bearing interest at 7.25% per annum, with interest payments only, due on demand	\$ 15,600,000	\$ 15,600,000

Interest paid on the promissory notes for the year ended December 31 was \$1,131,000 (2002 - \$1,057,735).

6. Post employment benefits:

Information about Festival Hydro Inc.'s defined benefit plans is as follows:

	2003	2002
Accrued benefit obligation:		
Balance, end of prior year	\$ 1,039,000	\$ 1,008,000
Service cost	28,000	26,000
Interest cost	59,000	57,000
Actuarial loss	29,000	2,000
Benefits paid	(46,000)	(54,000)
Projected accrued benefit obligation, end of year	\$ 1,109,000	\$ 1,039,000
Components of net periodic benefit cost:		
Service cost	\$ 28,000	\$ 26,000
Interest cost	59,000	57,000
Amortization of actuarial losses	29,000	2,000
Net periodic benefit cost	\$ 116,000	\$ 85,000

An adjustment was made to set up a deferred charge of \$117,000 as at December 31, 2001 to reflect additional past service costs arising from the September 7, 2001 amalgamation which were discovered during the 2002 actuarial valuation. When employees retire, this amount will be reduced by charges to operations.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

7. Share capital:

	2003	2002
Authorized:		
Unlimited Class A special shares, non-cumulative, 5.0%		
Unlimited Class B special shares		
Unlimited common shares		
Issued:		
6,100 Class A special shares	\$ 6,100,000	\$ 6,100,000
10,001 common shares	13,537,111	13,537,111
	<u>\$ 19,637,111</u>	<u>\$ 19,637,111</u>

Dividends paid on the 6,100 Class A special shares during 2003 totaled \$305,000 (2002 - \$305,000). Dividends paid on the 10,001 common shares during 2003 totaled \$720,872 (2002 - nil).

8. Income taxes:

(a) Income tax rate:

The Company's effective income tax rates differed from the statutory combined federal and provincial rates primarily due to the following:

	2003	2002
Earnings before income taxes	\$ 2,572,041	\$ 1,898,613
Income tax expense based on combined federal and provincial statutory income tax rate of 36.6% (2002 - 38.6%)	\$ 941,000	\$ 730,000
Large corporations tax	30,000	36,000
Tax effect of excess capital cost allowance taken over depreciation	180,000	203,000
Tax effect of non-capital losses utilized	-	(43,000)
Tax effect of other temporary differences	26,000	12,000
Tax effect of non-deductible expenses	17,000	-
Other items	40,000	(42,320)
Income tax expense recognized	<u>\$ 1,234,000</u>	<u>\$ 895,680</u>

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

9. Pension agreements:

Effective February 1, 1989, the Festival Hydro Inc. commenced participation in the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer plan, for all active employees at that date as well as for all new employees. As of December 31, 2003, there were forty-six active employees. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on their length of service and rates of pay.

Effective August 1, 1998, OMERS declared a contribution holiday that temporarily suspended payments to the plan until December 31, 2002.

Beginning January 1, 2003, contributions were reintroduced at a rate of 2.1% for employee earnings below the year's maximum pensionable earnings and 2.6% thereafter. Contributions by the Company for the year were \$52,530 (2002 – nil). These rates increased to 6.0% and 8.8%, respectively, effective the first full pay of January, 2004.

10. Public liability insurance:

The Company is a member of the Municipal Electrical Association Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a pooling of public liability insurance risks of many of the municipal utilities in Ontario. All members of the pool are subject to assessment for losses experienced by the pool for the years in which they were members on a pro-rata basis based on the total of their respective service revenues. It is anticipated that should such an assessment occur, it would be funded over a period of up to five years. As at December 31, 2003, no assessments have been made.

11. Credit risks:

Credit risk is the risk that a counterparty will fail to discharge its obligation to the Company reducing the expected cash inflow from Company assets recorded at the balance sheet date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions.

The Company has assessed that there are no significant concentrations of credit risk other than the present uncertainty relating to the recovery of regulatory assets. The final regulatory amount recoverable will be assessed in future years by the regulator after the audit of those costs.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

12. Change in non-cash operating working capital:

	2003	2002
Cash increase (decrease):		
Accounts receivable	\$ 459,722	\$ 886,256
Inventory	(94,829)	114,090
Prepaid expenses	22,707	(81,695)
Payment in lieu of corporate income taxes	983,211	157,474
Unbilled revenue	(444,435)	(2,578,091)
Accounts payable	1,479,586	(275,175)
Accrued vacation, wages and benefits	326	22,092
Due to (from) the Corporation of the City of Stratford	(577,236)	500,274
Due to Festival Hydro Services Inc.	61,694	179,137
	<u>\$ 1,890,746</u>	<u>\$ (1,075,638)</u>

13. Due from/to Festival Hydro Services Inc.

Festival Hydro Inc. performs all of the administrative functions for Festival Hydro Services Inc. All expenses and revenue are paid and received through Festival Hydro Inc. according to a service level agreement dated September 1, 2002.

Effective January 1, 2002, Festival Hydro Inc. commenced charging interest on the balance owing from Festival Hydro Services Inc. at an interest rate equivalent to the Royal Bank's prime lending rate. When Festival Hydro Services Inc. is in a deposit position with Festival Hydro Inc., interest is paid at the equivalent of Royal Bank prime less 1.85%. Net interest paid by Festival Hydro Inc. for the year was \$321 (2002 - (\$6,083)). There are no terms of repayment on the balance owing.

Festival Hydro Inc. and Festival Hydro Services Inc. are both wholly owned by the Corporation of the City of Stratford.

14. Commitments:

(a) Prudential support:

As a purchaser of electricity through the IMO, Festival Hydro Inc. is required to provide security to minimize the risk of default, based on its expected activity in the market. The IMO may draw on this security if Festival Hydro Inc. fails to make payment required by a default notice issued by the IMO. In April, 2002, to satisfy this requirement, Festival Hydro Inc. provided the IMO with an irrevocable standby letter of credit in the amount of \$3,382,133 which renews automatically on an annual basis. In addition, a treasury bill with a value of \$1,832,932 (2002 - \$2,346,255) is held as collateral in the custody of the IMO.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

14. Commitments (continued):

(b) Operating lease obligations:

As at December 31, 2003, the future minimum annual property lease payments with remaining lease terms of two to three years are as follows:

2004	\$	24,000
2005		22,000
2006		1,000
	\$	47,000

15. Related party transactions:

During the year and within the normal course of operations, the Company provided water and sewer billing and collection services to the City of Stratford. Revenue earned by the Company was \$378,660 (2002 - \$376,368).

The Company also leases space to the City of Stratford for which it earned revenue in the year of \$30,360 (2002 - \$34,320).

2003 PILS Support

	A	B	C	D	E
1	PILs TAXES - EB-2011-0167				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Festival Hydro Inc.			Colour Code	
4	Reporting period: 2003			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Y	
20	shared among the corporate group?	LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2003	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			31,136,775	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,666,865	
42					
43	1999 return from RUD Sheet #7			681,997	681,997
44					
45	Total Incremental revenue			1,984,868	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			661,623	661,623
48	Amount allowed in 2002			661,623	661,623
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				2,005,243
55					
56	Equity			15,568,388	
57					
58	Return at target ROE			1,538,157	
59					
60	Debt			15,568,388	
61					
62	Deemed interest amount in 100% of MARR			1,128,708	
63					
64	Phase-in of interest - Year 1 (2001)			568,666	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			848,687	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			848,687	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,128,708	
71					
72					

A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2011-0167	ITEM	Initial	M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate	Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)			Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)			K-C	Explanation		
5	0					Version 2009.1	
6	Utility Name: Festival Hydro Inc.						
7	Reporting period: 2003						
8						Column	
9	Days in reporting period:	365	days			Brought	
10	Total days in the calendar year:	365	days			From	
11						TAXREC	
12			\$	\$		\$	
13							
14	II CORPORATE INCOME TAXES						
15							
16	Regulatory Net Income REGINFO E53	1	2,005,243	1,521,222		3,526,465	
17							
18	BOOK TO TAX ADJUSTMENTS						
19	Additions:						
20	Depreciation & Amortization	2	1,951,722	89,095		2,040,817	
21	Employee Benefit Plans - Accrued, Not Paid	3		0		0	
22	Tax reserves - beginning of year	4		0		0	
23	Reserves from financial statements - end of year	4		1,109,000		1,109,000	
24	Regulatory Adjustments - increase in income	5	36,651	-36,651		0	
25	Other Additions (See Tab entitled "TAXREC")						
26	"Material" Items from "TAXREC" worksheet	6		102,736		102,736	
27	Other Additions (not "Material") "TAXREC"	6		0		0	
28	"Material" Items from "TAXREC 2" worksheet	6		3,087		3,087	
29	Other Additions (not "Material") "TAXREC 2"	6		0		0	
30	Items on which true-up does not apply "TAXREC 3"			60,771		60,771	
31							
32	Deductions: Input positive numbers						
33	Capital Cost Allowance and CEC	7	1,358,147	196,821		1,554,968	
34	Employee Benefit Plans - Paid Amounts	8		0		0	
35	Items Capitalized for Regulatory Purposes	9	0	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10		0		0	
37	Interest Expense Deemed/ Incurred	11	848,687	285,379		1,134,066	
38	Tax reserves - end of year	4		0		0	
39	Reserves from financial statements - beginning of year	4		1,039,000		1,039,000	
40	Contributions to deferred income plans	3		0		0	
41	Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12		108,833		108,833	
45	Other Deductions (not "Material") "TAXREC"	12		0		0	
46	Material Items from "TAXREC 2" worksheet	12		0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	Items on which true-up does not apply "TAXREC 3"			0		0	
49							
50	TAXABLE INCOME/ (LOSS)		1,786,782	1,219,227	Before loss C/F	3,006,009	
51							
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%	-2.0000%		36.62%	
54							
55	REGULATORY INCOME TAX		690,055	476,529	Actual	1,166,584	
56							
57							
58	Miscellaneous Tax Credits	14		0	Actual	0	
59							
60	Total Regulatory Income Tax		690,055	476,529	Actual	1,166,584	
61							
62							
63	III CAPITAL TAXES						
64							
65	Ontario						
66	Base	15	31,136,775	9,992,714		41,129,489	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	-148,195		4,851,805	
68	Taxable Capital		26,136,775	9,844,519		36,277,684	
69							
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%		0.3000%	
71							
72	Ontario Capital Tax		78,410	30,423		108,833	
73							
74	Federal Large Corporations Tax						
75	Base	18	31,136,775	6,607,801		37,744,576	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	-937,500		9,062,500	
77	Taxable Capital		21,136,775	5,670,301		28,682,076	
78							
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	0.0000%		0.2250%	
80							
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		47,558	16,977		64,535	
82	Less: Federal Surtax 1.12% x Taxable Income	21	20,012	15,667		35,679	
83							
84	Net LCT		27,546	1,310		28,856	
85							
86	III INCLUSION IN RATES						
87							
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%				
89							
90	Income Tax (proxy tax is grossed-up)	22	1,104,088		Actual 2003	1,166,584	
91	LCT (proxy tax is grossed-up)	23	44,073		Actual 2003	28,856	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	78,410		Actual 2003	108,833	
93							
94							
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	1,226,572		Actual 2003	1,304,273	
96	RAM DECISION						
97							
98							
99	IV) FUTURE TRUE-UPS						
100	IV a) Calculation of the True-up Variance			DR/(CR)			
101	In Additions:						
102	Employee Benefit Plans - Accrued, Not Paid	3		0			
103	Tax reserves deducted in prior year	4		0			
104	Reserves from financial statements-end of year	4		1,109,000			
105	Regulatory Adjustments	5		-36,651			
106	Other additions "Material" Items TAXREC	6		102,736			
107	Other additions "Material" Items TAXREC 2	6		3,087			
108	In Deductions - positive numbers						
109	Employee Benefit Plans - Paid Amounts	8		0			
110	Items Capitalized for Regulatory Purposes	9		0			
111	Regulatory Adjustments	10		0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11		51,336			
113	Tax reserves claimed in current year	4		0			
114	Reserves from F/S beginning of year	4		1,039,000			
115	Contributions to deferred income plans	3		0			
116	Contributions to pension plans	3		0			
117	Other deductions "Material" Items TAXREC	12		108,833			
118	Other deductions "Material" Item TAXREC 2	12		0			
119							
120	Total TRUE-UPS before tax effect	26		-20,997			
121							
122	Income Tax Rate (excluding surtax) from 2003 Utility's tax return		x	36.62%			

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2011-0167	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Festival Hydro Inc.							
7	Reporting period: 2003							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12			\$		\$		TAXREC	
13							\$	
123								
124	Income Tax Effect on True-up adjustments			=	-7,689			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-7,689			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.50%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				(11,921)			
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,786,782			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	654,319			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	654,319			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	690,055			
147								
148	Regulatory Income Tax Variance			=	(35,736)			
149								
150	Ontario Capital Tax							
151	Base			=	31,136,775			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	26,136,775			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	78,410			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	78,410			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	Federal LCT							
162	Base			=	31,136,775			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	21,136,775			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51			=	0.2250%			
167								
168	Gross Amount			=	47,558			
169	Less: Federal surtax			-	20,012			
170	Revised Net LCT			=	27,546			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	27,546			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)			=	35.50%			
176								
177	Income Tax (grossed-up)			+	(55,404)			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	0			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(55,404)			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	(11,921)			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(67,325)			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)			=	1,128,708			
194	Interest phased-in (Cell C36)			=	848,687			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision			=	280,021			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
200								
201	Actual Interest deducted on MoF filing (Cell K36+K41)			=	1,134,066			
202	Actual Deemed Interest			=	1,082,730			
203								
204	Variance caused by excess debt			=	51,336			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)			=	51,336			
207								
208	Total Interest Variance			=	228,685			
209								
210								
211								

	A	B	C	D	E	F
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
6	Section A: Identification:					
7	Utility Name: Festival Hydro Inc.					
8	Reporting period: 2003					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		0	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	Y			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	Income:					
31	Energy Sales	+	51,014,534		51,014,534	
32	Distribution Revenue	+	500,356		500,356	
33	Other Income	+	217,939	179,642	38,297	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	42,899,281		42,899,281	
40	Administration	-	1,164,857		1,164,857	
41	Customer billing and collecting	-	893,304		893,304	
42	Operations and maintenance	-	935,463		935,463	
43	Amortization	-	2,040,817		2,040,817	
44	Ontario Capital Tax	-	93,000		93,000	
45	Other Interest Expense (Customer Deposits/IESO LC) check	-	0		0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	3,706,107	179,642	3,526,465	
51	Less: Interest expense for accounting purposes	-	1,134,066		1,134,066	
52	Provision for payments in lieu of income taxes	-	1,234,000		1,234,000	
53	Net Income (loss)	=	1,338,041	179,642	1,158,399	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	1,234,000	0	1,234,000	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	2,040,817	0	2,040,817	
62	Employee benefit plans-accrued, not paid	+	0	0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	1,109,000	0	1,109,000	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"		60,771	0	60,771	
67	Material addition items from TAXREC 2	+	3,087	0	3,087	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		4,447,675	0	4,447,675	
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital tax expensed	+	93,000		93,000	
76	Income for tax purposes - Joint venture	+	9,736		9,736	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	102,736	0	102,736	
81						
82	Total Additions	=	4,550,411	0	4,550,411	
83						
84	Recap Material Additions:					
85			0	0	0	

A	B	C	D	E	F
1 PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
2 TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3 (for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0	Return			
5				Version 2009.1	
86		0	0	0	
87 Capital tax expensed		93,000	0	93,000	
88 Income for tax purposes - Joint venture		9,736	0	9,736	
89		0	0	0	
90		0	0	0	
91		0	0	0	
92 Total Other additions >materiality level		102,736	0	102,736	
93 Other additions (less than materiality level)		0	0	0	
94 Total Other Additions		102,736	0	102,736	
95					
96 BOOK TO TAX DEDUCTIONS:					
97 Capital cost allowance	-	1,541,356		1,541,356	
98 Cumulative eligible capital deduction	-	13,612		13,612	
99 Employee benefit plans-paid amounts	-	0		0	
100 Items capitalized for regulatory purposes	-			0	
101 Regulatory adjustments :	-			0	
102 CCA	-			0	
103 other deductions	-			0	
104 Tax reserves - end of year	-	0	0	0	
105 Reserves from financial statements- beginning of year	-	1,039,000	0	1,039,000	
106 Contributions to deferred income plans	-			0	
107 Contributions to pension plans	-			0	
108 Items on which true-up does not apply "TAXREC 3"		0	0	0	
109 Interest capitalized for accounting deducted for tax	-			0	
110 Material deduction items from TAXREC 2	-	0	0	0	
111 Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112					
113 Subtotal	=	2,593,968	0	2,593,968	
114 Other deductions (Please explain the nature of the deductions)					
115 Charitable donations - tax basis	-			0	
116 Gain on disposal of assets	-			0	
117 Capital tax paid	-	108,833		108,833	
118				0	
119	-			0	
120 Total Other Deductions	=	108,833	0	108,833	
121					
122 Total Deductions	=	2,702,801	0	2,702,801	
123					
124 Recap Material Deductions:					
125		0	0	0	
126		0	0	0	
127 Capital tax paid		108,833	0	108,833	
128		0	0	0	
129		0	0	0	
130 Total Other Deductions exceed materiality level		108,833	0	108,833	
131 Other Deductions less than materiality level		0	0	0	
132 Total Other Deductions		108,833	0	108,833	
133					
134 TAXABLE INCOME	=	3,185,651	179,642	3,006,009	
135 DEDUCT:					
136 Non-capital loss applied positive number	-	0		0	
137 Net capital loss applied positive number	-	0		0	
138				0	
139 NET TAXABLE INCOME	=	3,185,651	179,642	3,006,009	
140					
141 FROM ACTUAL TAX RETURNS					
142 Net Federal Income Tax (Must agree with tax return)	+	768,378		768,378	
143 Net Ontario Income Tax (Must agree with tax return)	+	398,206		398,206	
144 Subtotal	=	1,166,584	0	1,166,584	
145 Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146 Total Income Tax	=	1,166,584	0	1,166,584	
147					
148 FROM ACTUAL TAX RETURNS					
149 Net Federal Income Tax Rate (Must agree with tax return)		24.10%		24.10%	
150 Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151 Blended Income Tax Rate		36.60%		36.60%	
152					
153 Section F: Income and Capital Taxes					
154					
155 RECAP					
156 Total Income Taxes	+	1,166,584	0	1,166,584	
157 Ontario Capital Tax	+	108,833		108,833	
158 Federal Large Corporations Tax	+	28,856		28,856	
159					
160 Total income and capital taxes	=	1,304,273	0	1,304,273	
161					

	A	B	C	D	E	F
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Festival Hydro Inc.					
8	Reporting period: 2003					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Liability for Future Employee Benefits				0	
19	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Liability for Future Employee Benefits				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Liability for Future Employee Benefits - beg		1,039,000		1,039,000	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		1,039,000	0	1,039,000	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Liability for Future Employee Benefits - end		1,109,000		1,109,000	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		1,109,000	0	1,109,000	
64						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Festival Hydro Inc.					
9	Reporting period: 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22	Non deductible meals	+	3,087		3,087	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+	0		0	
37	Section 12(1)(a) - customer deposits CHECK	+	0		0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	3,087	0	3,087	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54	Charitable donations (Only if it benefits ratepayers)		3,087	0	3,087	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Festival Hydro Inc.					
9	Reporting period: 2003					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		3,087	0	3,087	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		3,087	0	3,087	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-	0		0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97	Section 12(1)(a) - customer deposits	-	0		0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
8	Utility Name: Festival Hydro Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2003					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		0		0	
36	Interest and penalties on unpaid taxes		60,771		60,771	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	Ontario capital tax adjustments	+			0	
41	Changes in Regulatory Asset balances	+	0		0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	60,771	0	60,771	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-	0		0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	Ontario capital tax adjustments to current or prior year	-			0	
65		-			0	
66	Changes in Regulatory Asset balances	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2011-0167						
2	Corporate Tax Rates			Version 2009.1			
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Festival Hydro Inc.						
5	Reporting period: 2003						
6							
7	Table 1						
8	Rates Used in 2002 RAM PILs Applications for 2002						
9	Income Range		0		200,001		
10	RAM 2002		to		to	>700000	
11		Year	200,000		700,000		
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%	26.12%	
15	and Ontario blended		6.00%		6.00%	12.50%	
16	Blended rate		19.12%		34.12%	38.62%	
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
24							
25	Table 2						
26	Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003						
27	Income Range		0		200,001		
28	Expected Rates		to		to	>700000	
29		Year	200,000		700,000		
30	Income Tax Rate						
31	Current year	2003					
32	Federal (Includes surtax)	2003	13.12%			24.12%	
33	Ontario	2003	6.00%			12.50%	
34	Blended rate	2003	19.12%		34.12%	36.62%	
35							
36	Capital Tax Rate	2003	0.300%				
37	LCT rate	2003	0.225%				
38	Surtax	2003	1.12%				
39	Ontario Capital Tax Exemption *** 2003	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2003	MAX \$10MM	10,000,000				
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.						
42							
43	Table 3						
44	Input Information from Utility's Actual 2003 Tax Returns						
45	Income Range		0		200,001		
46			to		to	>700,000	
47		Year	200,000		700,000		
48	Income Tax Rate						
49	Current year	2003					
50	Federal (Includes surtax)		13.10%		0.00%	24.10%	
51	Ontario		6.00%		0.00%	12.50%	
52	Blended rate		19.10%		0.00%	36.60%	
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.225%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,851,805				
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	9,062,500				
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36						
60							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2011-0167														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Festival Hydro Inc.														Version 2009.1
4	Reporting period: 2003				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		370,962		454,242		467,526		400,201		400,201		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	370,962		1,226,571		1,597,533		0		0		0		3,195,066
13	PILs proxy from April 1, 2005 - input 9/12 of amount										0				0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-					-9,294		-11,921						-21,215
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-							-55,404						-55,404
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	0		39,005		28,569								67,575
20	PILs billed to (collected from) customers (8)	-	0		-1,182,296		-1,603,524								-2,785,820
21															
22	Ending balance: # 1562		370,962		454,242		467,526		400,201		400,201		400,201		400,201
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER: Alternative #3														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"			Version 2.0
2	REGULATORY INFORMATION (REGINFO)			
3	Utility Name: Festival Hydro Inc.			Refiling - August 12, 200
4	Reporting period: January 1, 2003 - December 31, 2003			
5				
6	Days in reporting period:	365	days	
7	Total days in the calendar year:	365	days	
8				
9	BACKGROUND			
10	Has the utility reviewed section 149(1) ITA to			
11	confirm that it is not subject to regular corporate			
12	tax (and therefore subject to PILs)?		Y/N	Y
13				
14	Was the utility recently acquired by Hydro One			
15	and now subject to s.89 & 90 PILs?		Y/N	N
16				
17	Is the utility a non-profit corporation?		Y/N	N
18	(If the utility is a non-profit corporation, please contact the Rates Manager at OEB)			
19				
20	Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?		Y/N	N
21	Please identify the % used to allocate the exemption in Cell C63 in the TAXCALC spreadsheet.			
22				
23	Accounting Year End		Date	31-Dec
24				
25	MARR NO TAX CALCULATIONS			
26	SHEET #7 FINAL RUD MODEL DATA			
27	(FROM 1999 FINANCIAL STATEMENTS)			
28	USE BOARD-APPROVED AMOUNTS			
29				
30	Rate base (wires-only)			31,136,775
31				
32	Common Equity Ratio (CER)			50.00%
33				
34	1-CER			50.00%
35				
36	Target Return On Equity			9.88%
37				
38	Debt rate			7.25%
39				
40	Market Adjusted Revenue Requirement			2,666,865
41				
42	1999 return from RUD Sheet #7			681,997
43				
44	Total Incremental revenue			1,984,868
45	Input Board-approved dollar amounts phased-in			
46				
47	Amount allowed in 2001, Year 1			661,623
48	Amount allowed in 2002, Year 2			661,623
49	Amount allowed in 2003, Year 3 and forward (will be zero due to Bill 210)			0
50				
51	Equity			15,568,388
52				
53	Return at target ROE			1,538,157
54				
55	Debt			15,568,388
56				
57	Deemed interest amount in EBIT			1,128,708
58				
59	Phase-in of interest - Year 1 (2001)			568,666
60	$((D38+D43)/D36)*D54$			
61	Phase-in of interest - Year 2 (2002)			848,687
62	$((D38+D43+D44)/D36)*D54$			
63	Phase-in of interest - Year 3 (2003) and forward			848,687
64	$((D38+D43+D44)/D36)*D54$ (due to Bill 210)			
65				
66				
67				

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	Refiling - August 12, 2005										Version 2.0	
6			\$						\$		\$	
7	Utility Name: Festival Hydro Inc.											
8	Reporting period: January 1, 2003 - December 31, 2003										Column	
9	Days in reporting period:	365	days								Brought	
10	Total days in the calendar year:	365	days								From	
11											TAXREC	
12												
13												
14	<u>II) CORPORATE INCOME TAXES</u>											
15	Regulatory Net Income	1	2,005,241						1,521,224		3,526,465	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions:											
20	Depreciation & Amortization	2	1,951,722						89,095		2,040,817	
21	Employee Benefit Plans - Accrued, Not Paid	3	0						0		0	
22	Tax reserves deducted in prior year	4	0						0		0	
23	Reserves from financial statements-end of year	4	0						1,109,000		1,109,000	
24	Regulatory Adjustments	5	36,651						-36,651		0	
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Items from "TAXREC" worksheet	6	0						153,771		153,771	
27	Other Additions (not "Material") "TAXREC"	6	0						3,087		3,087	
28	"Material Items from "TAXREC 2" worksheet	6	0						0		0	
29	Other Additions (not "Material") "TAXREC 2"	6	0						9,736		9,736	
30												
31	Deductions:											
32	Capital Cost Allowance and CEC	7	1,358,147						196,821		1,554,968	
33	Employee Benefit Plans - Paid Amounts	8	0						0		0	
34	Items Capitalized for Regulatory Purposes	9	0						0		0	
35	Regulatory Adjustments	10	0						0		0	
36	Interest Expense Deemed/ Incurred	11	848,686						285,380		1,134,066	
37	Tax reserves claimed in current year	4	0						0		0	
38	Reserves from F/S beginning of year	4	0						1,039,000		1,039,000	
39	Contributions to deferred income plans	3	0						0		0	
40	Contributions to pension plans	3	0						0		0	
41	Interest capitalized for accounting but deducted for tax	11	0						0		0	
42	Other Deductions (See Tab entitled "TAXREC")											
43	"Material" Items from "TAXREC" worksheet	12	0						108,833		108,833	
44	Other Deductions (not "Material") "TAXREC"	12	0						0		0	
45	Material Items from "TAXREC 2" worksheet	12	0						0		0	
46	Other Deductions (not "Material") "TAXREC 2"	12	0						0		0	
47												
48	REGULATORY TAXABLE INCOME/ (LOSSES)		1,786,781						4,479,296		3,006,009	
49												
50	CORPORATE INCOME TAX RATE											
51	Deemed %	13	38.62%						0.0000%		38.62%	
52												
53	REGULATORY INCOME TAX		690,055						470,866		1,160,921	
54	Taxable Income x Rate											
55												
56	Miscellaneous Tax Credits	14	0						0		0	
57												
58	Total Regulatory Income Tax		690,055						470,866		1,160,921	
59												
60	To determine the exemptions for capital tax and large corporations tax:											
61	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%									
62												
63	<u>III) CAPITAL TAXES</u>											
64												
65	Ontario											
66	Base	15	31,136,775						9,992,714		41,129,489	
67	Less: Exemption	16	5,000,000						-148,195		4,851,805	
68	Deemed Taxable Capital		26,136,775						9,844,519		36,277,684	
69												
70	Rate (.3%)	17	0.3000%						0.0000%		0.3000%	
71												
72	Net Amount (Taxable Capital x Rate)		78,410						30,423		108,833	
73												
74	Federal (LCT)											
75	Base	18	31,136,775						6,607,801		37,744,576	
76	Less: Exemption	19	10,000,000						-937,500		9,062,500	
77	Deemed Taxable Capital		21,136,775						5,670,301		28,682,076	
78												
79	Rate (.225%)	20	0.2250%						0.0000%		0.2250%	
80												
81	Gross Amount (Taxable Capital x Rate)		47,558						16,977		64,535	
82	Less: Federal Surtax	21	20,012						13,655		33,667	
83												
84	Net LCT		27,546						30,632		30,867	
85												

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	Refiling - August 12, 2005										Version 2.0	
6			\$						\$		\$	
86	III) INCLUSION IN RATES											
87												
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%									
89												
90	Income Tax (grossed-up)	22	1,104,088									
91	LCT (grossed-up)	23	44,073									
92	Ontario Capital Tax	24	78,410									
93												
94												
95	Total S. 93 PILs Rate Adjustment	25	1,226,571									
96			1,597,533	Received 2001 and 2002								
97				in 2003								
98												
99	IV) FUTURE TRUE-UPS (post June 2002)											
100	IV a) Calculation of the True-up Variance								DR/(CR)			
101												
102	Employee Benefit Plans - Accrued, Not Paid	3							0			
103	Tax reserves deducted in prior year	4							0			
104	Reserves from financial statements-end of year	4							1,109,000			
105	Regulatory Adjustments	5							-36,651			
106	Other additions "Material" Items "TAXREC"	6							153,771			
107	Other additions "Material" Items "TAXREC 2"	6							0			
108												
109	Employee Benefit Plans - Paid Amounts	8							0			
110	Items Capitalized for Regulatory Purposes	9							0			
111	Regulatory Adjustments	10							0			
112	Interest Adjustment for tax purposes (See Below - cell I206)	11							5,358			
113	Tax reserves claimed in current year	4							0			
114	Reserves from F/S beginning of year	4							1,039,000			
115	Contributions to deferred income plans	3							0			
116	Contributions to pension plans	3							0			
117	Other deductions "Material" Items "TAXREC"	12							108,833			
118	Other deductions "Material" Item "TAXREC 2"	12							0			
119												
120	Total TRUE-UPS before tax effect	26						=	72,929			
121												
122	Income Tax Rate (excluding surtax)							x	35.50%			
123												
124	Income Tax Effect on True-up adjustments							=	25,890			
125												
126	Less: Miscellaneous Tax Credits	14							0			
127												
128	Total Income Tax on True-ups								25,890			
129												
130	Income Tax Rate used for gross-up (exclude surtax)								35.50%			
131												
132	TRUE-UP VARIANCE								40,139			
133												
134	IV b) Calculation of the Deferral Account Variance											
135												
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	1,786,781			
137												
138	REVISED CORPORATE INCOME TAX RATE							x	38.62%			
139												
140	REVISED REGULATORY INCOME TAX							=	690,055			
141												
142	Less: Revised Miscellaneous Tax Credits							-	0			
143												
144	Total Revised Regulatory Income Tax							=	690,055			
145												
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	690,055			
147												
148	Regulatory Income Tax Variance							=	0			
149												
150	Ontario Capital Tax											
151	Base							=	31,136,775			
152	Less: Exemption							-	5,000,000			
153	Revised deemed taxable capital							=	26,136,775			
154												
155	Rate (as a result of legislative changes)							x	0.3000%			
156												
157	Revised Ontario Capital Tax							=	78,410			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)							-	78,410			
159	Regulatory Ontario Capital Tax Variance							=	0			
160												
161	Federal LCT											
162	Base							=	31,136,775			
163	Less: Exemption							-	10,000,000			
164	Revised Federal LCT							=	21,136,775			
165												

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	Refiling - August 12, 2005										Version 2.0	
6			\$						\$		\$	
166	Rate (as a result of legislative changes)								0.2250%			
167												
168	Gross Amount								47,558			
169	Less: Federal surtax							-	20,012			
170	Revised Net LCT							=	27,546			
171												
172	Less: Federal LCT reported in the initial estimate column (Cell C84)							-	27,546			
173	Regulatory Federal LCT Variance							=	0			
174												
175	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
176												
177	Income Tax (grossed-up)							+	0			
178	LCT (grossed-up)							+	0			
179	Ontario Capital Tax							+	0			
180												
181	DEFERRAL ACCOUNT VARIANCE							=	0			
182												
183	TRUE-UP VARIANCE (from cell I132)							+	40,139			
184												
185	Deferral Account Entry (Positive Entry = Debit)							=	40,139			
186	(Deferral Account Variance + True-up Variance)											
187	To be included as deferral account in rate application)											
188												
189												
190	V) INTEREST PORTION OF TRUE-UP											
191	Variance Caused By Phase-in of Deemed Debt											
192												
193	Total deemed interest (REGINFO)								1,128,708			
194	Interest phased-in (Cell C36)								848,686			
195												
196	Variance due to phase-in of debt structure								280,022			
197	according to Rate Handbook											
198												
199	Other Interest Variances (i.e. Borrowing Levels											
200	Above Deemed Debt per Rate Handbook)											
201	Interest deducted on MoF filing (Cell K36+K41)								1,134,066			
202	Total deemed interest (REGINFO CELL D57)								1,128,708			
203												
204	Variance caused by excess debt								5,358			
205												
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)								5,358			
207												
208	Total Interest Variance								274,664			
209												

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	Refiling - August 12, 2005		Return			
5					Version 2.0	
6	Section A: Identification:					
7	Utility Name: Festival Hydro Inc.					
8	Reporting period: January 1, 2003 - December 31, 2003					
9	Taxation Year's start date:		1-Jan-03			
10	Taxation Year's end date:		31-Dec-03			
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		38,921	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wire related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as positive number, the program automatically treat all amounts					
28	in the "non-wires elimination column" entered as negative values in the TAXREC and TAXREC2.					
29	Description:					
30	Income:					
31	Distribution Revenue	+	51,014,534		51,014,534	
32	Other Income	+	500,356		500,356	
33	Miscellaneous income	+	217,939	179,642	38,297	
34		+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Expenses:					
39	Cost of energy purchased	-	42,899,281		42,899,281	
40	Administration	-	1,164,857		1,164,857	
41	Customer billing and collecting	-	893,304		893,304	
42	Amortization	-	2,040,817		2,040,817	
43	Operations and maintenance	-	935,463		935,463	
44	Ontario Capital Tax	-	93,000		93,000	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	3,706,107	179,642	3,526,465	
51	Less: Interest expense for accounting purposes	-	1,134,066		1,134,066	
52	Provision for payments in lieu of income taxes	-	1,234,000		1,234,000	
53	Net Income (loss)	=	1,338,041	179,642	1,158,399	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	1,234,000	0	1,234,000	
60	Depreciation & Amortization	+	2,040,817	0	2,040,817	
61	Employee benefit plans-accrued, not paid	+	0	0	0	
62	Tax reserves deducted in prior year	+	0	0	0	
63	Reserves from financial statements- end of year	+	1,109,000		1,109,000	
64	Regulatory adjustments	+			0	
65	Material addition items from TAXREC 2	+	0	0	0	
66	Other addition items (not Material) from TAXREC 2	+	9,736	0	9,736	
67						
68	Subtotal		4,393,553	0	4,393,553	
69						
70	Other Additions: (Please explain the nature of the additions)					
71	Recapture of CCA	+			0	
72	Non-deductible meals and entertainment expense	+	3,087		3,087	
73	Capital tax expensed	+	93,000		93,000	
74	Interst and penalties on taxes	+	60,771		60,771	
75		+			0	
76		+			0	
77		+			0	
78	Total Other Additions	=	156,858	0	156,858	
79						
80	Total Additions	=	4,550,411	0	4,550,411	
81						
82	Recap Material Additions:					
83			0	0	0	
84			0	0	0	
85	Capital tax expensed		93000	0	93000	
86	Interst and penalties on taxes		60771	0	60771	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90	Total Other additions >materiality level		153771	0	153771	
91	Other deductions (less than materiality level)		3,087	0	3,087	
92	Total Other Additions		156,858	0	156,858	
93						

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	Refiling - August 12, 2005		Return			
5					Version 2.0	
94	BOOK TO TAX DEDUCTIONS:					
95	Capital cost allowance	-	1,541,356		1,541,356	
96	Cumulative eligible capital deduction	-	13,612		13,612	
97	Employee benefit plans-paid amounts	-			0	
98	Items capitalized for regulatory purposes	-			0	
99	Regulatory adjustments :	-			0	
100	CCA	-			0	
101	other deductions	-			0	
102	Tax reserves claimed in current year	-	0	0	0	
103	Reserves from F/S- beginning of year	-	1,039,000		1,039,000	
104	Contributions to deferred income plans	-			0	
105	Contributions to pension plans	-			0	
106	Interest capitalized for accounting deducted for tax	-			0	
107	Material deduction items from TAXREC 2	-	0	0	0	
108	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
109						
110	Subtotal	=	2,593,968	0	2,593,968	
111	Other deductions (Please explain the nature of the deductions)					
112	Charitable donations - tax basis	-			0	
113	Gain on disposal of assets	-			0	
114	Capital tax paid	-	108,833		108,833	
115		-			0	
116		-			0	
117	Total Other Deductions	=	108,833	0	108,833	
118						
119	Total Deductions	=	2,702,801	0	2,702,801	
120						
121	Recap Material Deductions:					
122			0	0	0	
123			0	0	0	
124	Capital tax paid		108,833	0	108,833	
125			0	0	0	
126			0	0	0	
127	Total Other Deductions exceed materiality level		108,833	0	108,833	
128	Other Deductions less than materiality level		0	0	0	
129	Total Other Deductions		108,833	0	108,833	
130						
131	TAXABLE INCOME	=	3,185,651	179,642	3,006,009	
132	DEDUCT:					
133	Non-capital loss applied	-			0	
134	Net capital loss applied	-			0	
135	NET TAXABLE INCOME	=	3,185,651	179,642	3,006,009	
136						
137	Net Federal Income Tax	+	768,378		768,378	
138	Net Ontario Income Tax	+	398,206		398,206	
139	Subtotal	=	1,166,584	0	1,166,584	
140	Less: Miscellaneous tax credits	-			0	
141	Total Income Tax	=	1,166,584	0	1,166,584	
142						
143						
144	Section D: Detail calculation of the Ontario Capital Tax					
145	ONTARIO CAPITAL TAX					
146	(From Ontario CT23)					
147	PAID-UP CAPITAL					
148						
149	Paid-up capital stock	+	19,637,111		19,637,111	
150	Retained earnings (if deficit, deduct)	+/-	1,125,932		1,125,932	
151	Capital and other surplus excluding	+			0	
152	appraisal surplus	+			0	
153	Loans and advances	+	15,872,533		15,872,533	
154	Bank loans	+			0	
155	Bankers acceptances	+			0	
156	Bonds and debentures payable	+			0	
157	Mortgages payable	+			0	
158	Lien notes payable	+			0	
159	Deferred credits	+			0	
160	Contingent, investment, inventory and similar reserves	+			0	
161	Other reserves not allowed as deductions	+	1,109,000		1,109,000	
162	Share of partnership(s), joint venture(s) paid-up capital	+			0	
163	Sub-total	=	37,744,576	0	37,744,576	
164	Subtract:					
165	Amounts deducted for income tax purposes in excess of amounts booked	-	-3,384,913		-3,384,913	
166	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
167	Total (Net) Paid-up Capital	=	41,129,489	0	41,129,489	
168						
169	ELIGIBLE INVESTMENTS					
170						
171	Bonds, lien notes, interest coupons	+			0	
172	Mortgages due from other corporations	+			0	
173	Shares in other corporations	+			0	
174	Loans and advances to unrelated corporations	+			0	
175	Eligible loans and advances to related corporations	+			0	
176	Share of partnership(s) or joint venture(s) eligible investments	+			0	
177						
178	Total Eligible Investments	=	0	0	0	
179						

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	Refiling - August 12, 2005		Return			
5					Version 2.0	
180						
181	TOTAL ASSETS					
182						
183	Total assets per balance sheet	+	45,537,754		45,537,754	
184	Mortgages or other liabilities deducted from assets	+			0	
185	Share of partnership(s)/ joint venture(s) total assets	+			0	
186	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
187						
188	Total assets as adjusted	=	45,537,754	0	45,537,754	
189						
190	Add: (if deducted from assets)					
191	Contingent, investment, inventory and similar reserves	+			0	
192	Other reserves not allowed as deductions	+			0	
193	Subtract:				0	
194	Amounts deducted for income tax purposes in excess of amounts booked	-	-3,384,913		-3,384,913	
195	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
196	Subtract: Appraisal surplus if booked	-			0	
197	Add or subtract: Other adjustments	+/-			0	
198						
199	Total Assets	=	48,922,667	0	48,922,667	
200						
201						
202	Investment Allowance		0	0	0	
203						
204	Taxable Capital					
205						
206	Net paid-up capital	+	41,129,489	0	41,129,489	
207	Subtract: Investment Allowance	-	0	0	0	
208						
209	Taxable Capital	=	41,129,489	0	41,129,489	
210						
211	Capital Tax Calculation					
212	Deduction from taxable capital up to \$5,000,000		4,851,805		4,851,805	
213						
214	Net Taxable Capital		36,277,684	0	36,277,684	
215						
216	Rate 0.3%		0.3000%	0.3000%	0.3000%	
217						
218	Days in taxation year		365	365	365	
219	Divide days by 365		1.00	1.00	1.00	
220						
221	Ontario Capital Tax		108,833	0	108,833	
222						
223						
224	LARGE CORPORATION TAX					
225	(From Federal Schedule 33)					
226	CAPITAL					
227	ADD:					
228	Reserves that have not been deducted in computing income for the year under Part I	+	1,109,000		1,109,000	
229	Capital stock	+	19,637,111	0	19,637,111	
230	Retained earnings	+	1,125,932		1,125,932	
231	Contributed surplus	+			0	
232	Any other surpluses	+			0	
233	Deferred unrealized foreign exchange gains	+			0	
234	All loans and advances to the corporation	+	15,872,533		15,872,533	
235	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			0	
236	Any dividends declared but not paid	+			0	
237	All other indebtedness outstanding for more than 365 days	+			0	
238						
239	Subtotal	=	37,744,576	0	37,744,576	
240						
241	DEDUCT:					
242	Deferred tax debit balance	-			0	
243	Any deficit deducted in computing shareholders' equity	-			0	
244	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
245	Deferred unrealized foreign exchange losses	-			0	
246						
247	Subtotal	=	0	0	0	
248						
249	Capital for the year		37,744,576	0	37,744,576	
250						

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	Refiling - August 12, 2005		Return			
5					Version 2.0	
251	INVESTMENT ALLOWANCE					
252						
253	Shares in another corporation	+			0	
254	Loan or advance to another corporation	+			0	
255	Bond, debenture, note, mortgage, or	+			0	
256	similar obligation of another corporation	+			0	
257	Long term debt of financial institution	+			0	
258	Dividend receivable from another corporation	+			0	
259	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
260	Interest in a partnership	+			0	
261						
262	Investment Allowance	=	0	0	0	
263						
264						
265	TAXABLE CAPITAL					
266						
267	Capital for the year	=	37,744,576	0	37,744,576	
268						
269	Deduct: Investment allowance	-	0	0	0	
270						
271	Taxable Capital for taxation year	=	37,744,576	0	37,744,576	
272						
273	Deduct: Capital Deduction \$10,000,000	-	9,062,500	0	9,062,500	
274						
275	Taxable Capital	=	28,682,076	0	28,682,076	
276						
277	Rate .225%		0.22500%	0.22500%	0.22500%	
278						
279	Days in year		365	365	365	
280	Divide days by 365		1.0000	1.0000	1.0000	
281						
282	Gross Part I.3 Tax LCT	=	64,534.67	0.00	64,534.67	
283						
284	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
285						
286	Less: Federal Surtax = Taxable Income x Surtax Rate	-	35,679	2,012	33,667	
287						
288	Net Part I.3 Tax LCT Payable	=	28,855	0	30,867	
289	(If surtax is greater than Gross LCT, then zero)					
290						
291	RECAP:					
292	Total Income Taxes	+	1,166,584	0	1,166,584	
293	Ontario Capital Tax	+	108,833	0	108,833	
294	Federal Large Corporations Tax	+	28,855	0	30,867	
295						
296	Total income and capital taxes	=	1,304,272	0	1,306,284	
297						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (Tax Reserves)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	Refiling - August 12, 2005		Return			
5					Version 2.0	
6						
7	Utility Name: Festival Hydro Inc.					
8	Reporting period: January 1, 2003 - December 31, 2003					
9						
10	<u>TAX RESERVES</u>					
11	<u>Opening balance:</u>					
12	Accrued contingent liability				0	
13					0	
14					0	
15					0	
16					0	
17					0	
18					0	
19					0	
20					0	
21	Total (carry forward to the TAXREC worksheet)		0	0	0	
22						
23	<u>Ending balances:</u>					
24	Accrued contingent liability				0	
25					0	
26					0	
27					0	
28					0	
29					0	
30					0	
31					0	
32					0	
33	Insert line above this line				0	
34	Total (carry forward to the TAXREC worksheet)		0	0	0	
35						

	A	B	C	D	E	F
1						
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	Refiling - August 12, 2005		Return			
6					Version 2.0	
7						
8	Utility Name: Festival Hydro Inc.					
9	Reporting period: January 1, 2003 - December 31, 2003					
10	Number of days in taxation year:		365	days		
11	Materiality Level:		38,921			
12						
13	Section C: Reconciliation of accounting income to taxable income					
14	Add:					
15	Recapture of capital cost allowance	+			0	
16	Gain on sale of eligible capital property	+			0	
17	Income or loss for tax purposes- joint ventures or partnerships	+	9735.93		9735.93	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations	+			0	
21	Taxable capital gains	+			0	
22	Depreciation in inventory -end of year	+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Non-deductible club dues and fees	+			0	
27	Non-deductible automobile expenses	+			0	
28	Non-deductible life insurance premiums	+			0	
29	Soft costs on construction and renovation of buildings	+			0	
30	Book loss on joint ventures or partnerships	+			0	
31	Capital items expensed	+			0	
32	Debt issue expense	+			0	
33	Deemed dividend income	+			0	
34	Dividends credited to investment account	+			0	
35	Financing fees deducted in books	+			0	
36	Gain on settlement of debt	+			0	
37	Interest paid on income debentures	+			0	
38	Recapture of SR&ED expenditures	+			0	
39	Share issue expense	+			0	
40	Write down of capital property	+			0	
41	Amounts received in respect of qualifying environment trust	+			0	
42	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
43		+			0	
44		+			0	
45		+			0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53	Total Additions	=	9735.93	0	9735.93	
54						
55	Recap of Material Additions:					
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			0	0	0	

	A	B	C	D	E	F
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	Refiling - August 12, 2005		Return			
6					Version 2.0	
82			0	0	0	
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92			0	0	0	
93						
94	Total Material additions		0	0	0	
95	Other additions less than materiality level		9735.93	0	9735.93	
96	Total Additions		9735.93	0	9735.93	
97						
98	Deduct:					
99	Gain on disposal of assets per f/s	-			0	
100	Dividends not taxable under section 83	-			0	
101	Terminal loss from Schedule 8	-			0	
102	Depreciation in inventory, end of prior year	-			0	
103	Scientific research expenses claimed in year from Form T661	-			0	
104	Bad debt	-			0	
105	Book income of joint venture or partnership	-			0	
106	Equity in income from subsidiary or affiliates	-			0	
107	Contributions to a qualifying environment trust	-			0	
108	Other income from financial statements	-			0	
109	Other deductions: (Please explain in detail the nature of the item)	-				
110		-			0	
111		-			0	
112		-			0	
113		-			0	
114		-			0	
115		-			0	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121	Total Deductions	=	0	0	0	
122						
123	Recap of Material Deductions:					
124			0	0	0	
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140			0	0	0	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145	Total Deductions exceed materiality level		0	0	0	
146	Other deductions less than materiality level		0	0	0	
147	Total Deductions		0	0	0	
148						

	A	B	C	D	E	F	G	H	I
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"								
2	Corporate Tax Rates								
3									
4	Income Range		0	200,001	>700,000				
5			to	to					
6		Year	200,000	700,000					
7	Income Tax Rate								
8	Current year	2003	19.12%	34.12%	38.62%				
9	Capital Tax Rate		0.30%						
10	LCT rate		0.225%						
11	Surtax		1.12%						
12	Ontario Capital Tax Exemption		5,000,000						
13	Federal Large Corporations Tax Exemption		10,000,000						
14									
15	Income Range		0	225,001	>700,000				
16			to	to					
17		Year	225,000	700,000					
18	Income Tax Rate								
19	Income Tax Rates used to gross up the deferral account allowance variance	2004	18.62%	32.12%	36.62%				
20									
21	Income Range		0	250,001	>700,000				
22			to	to					
23		Year	250,000	700,000					
24	Income Tax Rate								
25	Income Tax Rates used to gross up the true up variance	2005	18.62%	32.12%	36.62%				

	A	B	C	D	E	F	G
1		SECTION 93 PILs TAX GROSS-UP "SIMPIL"					Version 2.0
2		Filing Requirements related to the "SIMPIL" model					
3		Utility Name: Festival Hydro Inc.					
4		Reporting period: January 1, 2003 - December 31, 2003					
5		Refiling - August 12, 2005					
6		Documents to be submitted to the Board when filing the Initial Estimate Column information:					
7		(Stage 1 filing: normally in January of the reporting period)					
8							
9	1)	REGINFO spreadsheet		☐			
10							
11	2)	TAXCALC spreadsheet		☐			
12							
13	3)	CCA schedule prepared for regulatory purposes		☐			
14							
15	4)	TAX RATES spreadsheet		☐			
16							
17	5)	Checklist		☐			
18							
19	6)	Electronic format of the SIMPIL spreadsheets		☐			
20							
21		Documents to be submitted to the Board when filing the Deferral Account Allowance Column information:					
22		(Stage 2 filing: normally in December of the reporting period)					
23							
24	1)	REGINFO spreadsheet		☐			
25							
26	2)	TAXCALC spreadsheet		☐			
27							
28	3)	Revised CCA schedule prepared for regulatory purposes if changes have been made		☐			
29							
30	4)	TAX RATES spreadsheet		☐			
31							
32	5)	Checklist		☐			
33							
34	6)	Electronic format of the SIMPIL spreadsheets		☐			
35							
36		Documents to be submitted to the Board when filing the Ministry of Finance Column information:					
37		(Stage 3 filing: normally in July of the year following the reporting period)					
38							
39	1)	REGINFO spreadsheet		☒			
40							
41	2)	TAXCALC spreadsheet		☒			
42							
43	3)	TAXREC, TAXREC 2 spreadsheets		☒			
44							
45	4)	TAX RESERVES spreadsheet		☒			
46							
47	5)	BACKGROUND QUESTIONNAIRE spreadsheet		☒			
48							
49	6)	CONTINUITY SCHEDULE OF ACCOUNT # 1562		☒			
50							
51	7)	Financial statements used to prepare tax returns if different from the audited financial statements previously submitted to the Board		☒			
52							
53	8)	TAX RATES worksheet		☒			
54							
55	9)	Checklist		☒			
56							
57	10)	Electronic format of the SIMPIL worksheets		☒			

	A	B	C	D	E	F	G	H
1		SECTION 93 PILs TAX GROSS-UP	"SIMPIL"					
2		QUESTIONNAIRE						
3		Utility Name: Festival Hydro Inc.						
4		Reporting period: January 1, 2003 - December 31, 2003			Refiling - August 12, 2005			Version 2.0
5								
6		1 Does the company engage in non-regulated activities?						
7		Answer:						
8		Yes						
9								
10		If the answer to question 1 is "NO", please skip question 2 to 6.						
11		2 Please identify the types of non-wire operations carried on by the LDC.						
12		Answer:						
13		Billing and collection of water and sewage on behalf of the City of Stratford, streetlight						
14		maintenance for local municipalities.						
15								
16		3 Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?						
17		Answer: No						
18								
19								
20								
21		4 Please identify the percentage and amount of gross revenues arising from non-wire operations.						
22		Answer: 1.47% (\$762,040) of total gross revenues are from non-wire operations.						
23		The net of non wire income less non wire expenses totaling \$179,642 is recorded in TAXREC cell D34.						
24								
25		5 Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.						
26		Answer: 11.6% (\$582,398) of total operating expenses (operating expenses being operations and maintenance,						
27		customer billing and collecting, administration and amortization expense.						
28								
29		6 Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining						
30		to non-wire operations.						
31		Answer: Nil						
32								
33								
34		7 Did the company incur any OPEB (Other Post Employment Benefits) expenditure for accounting and tax purposes? (P						
35		Answer: Yes. Festival Hydro has a post retirement benefit accrual of \$1,109,000 which is accounted for on an acccrua						
36								
37		8 Did the company have any reserve for accounting and tax purposes? (Please identify the amount.)						
38		Answer: Yes. Post retirement benefit accrual - beginning of year \$1,039,000; end of year \$1,109,000						
39								
40								
41		OTHER PERTINENT INFORMATION:						
42		9 Did the LDC incur any transition costs?						
43		Answer: Yes.						
44								
45								
46		If the answer to question 9 is "NO", please skip question 10 and 11.						
47		10 Please identify the amount of transition costs recovery received from consumers during the reporting period.						
48		Answer: Recovery of \$36,715 during fiscal 2003.						
49								
50								
51		11 Please identify the amount of transition costs deducted for accounting and tax purposes.						
52		Answer:						
53			Accounting		Tax			
54		Amortization/CCA claimed	0		0			
55		Other expensed	36,715.00		36,715.00			
56		Total	36,715.00		36,715.00			
57		Transition costs capitalized, bal at Dec 31/03	273,737.95		0			
58		Incurred prior to October 1, 2001 & non-deductible for tax purposes	0		0			

	I	J	K	L
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34	lease identify the amount			
35	basis according to the CICA handbool			
36				
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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	SECTION 93 PILs TAX GROSS-UP "SIMPL"														
2	Analysis of Account 1562:	Deferred Payment in lieu of Taxes													
3															
4															
5	Utility Name: Festival Hydro Inc.														
6	Reporting period: January 1, 2003 - December 31, 2003														
7	Refiling - August 12, 2005														
8															
9	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
10	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		12/31/2006	Total	
11															
12	Opening balance:	=			58,914		188,019		395,634		395,634		395,634		0
13	Initial Estimate PILs Rate Adjustment(1)	+/-	370,962		1,226,571		1,597,533								3,195,066
14	Deferral Account Variance PILs Rate Adjustment(2)	+/-	0		0										0
15	Deferral Account Entry (True-up adjustments) (3)	+/-	0		(3,373)		40,139								36,766
16	Carrying charges	+/-	15,792		14,025		21,136								50,953
17	PILs collected from customers	-	327,840		1,108,118		1,451,193								2,887,151
18															
19	Ending balance:		58,914		188,019		395,634		395,634		395,634		395,634		395,634
20															
21	Note:														
22	The purposes of this worksheet is to show the movement in Account 1562.														
23	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities														
24															
25	Please identify the accounting method used to account for the PILs recovery.														
26	Answer: Festival Hydro is following Alternative # 3 as described in Frequently Asked Questions - April 2003. Under this method, a contra														
27	account is set up on the Balance Sheet to ensure the difference between the Board approved recovery and the actual amounts collected from customers														
28	is identified in Account # 1562.														
29															
30	(1) in the Initial Estimate Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet														
31	(2) in the Deferral Account Variance Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet														
32	(3) in the Ministry of Finance Variance Column, under Future True-ups, Part IV of the TAXCALC spreadsheet														
33															

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 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 899571814RC0001

Corporation's name

002 Festival Hydro Inc.

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

011 187 Erie Street

012 City Province, territory, or state

015 Stratford 016 ON

Country (other than Canada) Postal code/ZIP code

017 018 N5A-2M6

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

022 187 Erie Street

023 City Province, territory, or state

025 Stratford 026 ON

Country (other than Canada) Postal code/ZIP code

027 028 N5A-2M6

Location of books and records

031 187 Erie Street

032 City Province, territory, or state

035 Stratford 036 ON

Country (other than Canada) Postal code/ZIP code

037 038 N5A-2M6

040 Type of corporation at the end of the taxation year

- 1 X Canadian-controlled private corporation (CCPC) 4 Corporation controlled by a public corporation
2 Other private corporation 5 Other corporation (specify, below)
3 Public corporation

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

061 2003-12-31

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 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

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 ☒	9
28 Does the corporation have any non-resident shareholders?	151 ☐	19
29 Is the corporation an associated Canadian-controlled private corporation?	160 ☒	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 <i>Income Tax Regulations</i> ?	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 ☒	50
55 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 ☒	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 ☒	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 ☒	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 ☒	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

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 ☒ 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? ☐ 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 ☒ X

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	Hydro Services	☐ 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 GIFL ☐ 300 3,185,651 A

Deduct:

Charitable donations from Schedule 2	☐ 311	<u>0</u>
Gifts to Canada, a province, or a territory from Schedule 2	☐ 312	<u>0</u>
Cultural gifts from Schedule 2	☐ 313	<u>0</u>
Ecological gifts from Schedule 2	☐ 314	<u>0</u>
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	☐ 320	<u>0</u>
Part VI.1 tax deduction from Schedule 43*	☐ 325	<u>0</u>
Non-capital losses of preceding taxation years from Schedule 4	☐ 331	<u>0</u>
Net-capital losses of preceding taxation years from Schedule 4	☐ 332	<u>0</u>
Restricted farm losses of preceding taxation years from Schedule 4	☐ 333	<u>0</u>
Farm losses of preceding taxation years from Schedule 4	☐ 334	<u>0</u>
Limited partnership losses of preceding taxation years from Schedule 4	☐ 335	<u>0</u>
Taxable capital gains or taxable dividends allocated from a central credit union	☐ 340	<u>0</u>
Prospector's and grubstaker's shares	☐ 350	<u>0</u>
Subtotal		<u>0</u> B

Subtotal (amount A minus amount B) (if negative, enter "0") 3,185,651 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 3,185,651

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) 3,185,651 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** 3,185,651 **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** 3,185,651 **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	<u>0</u>	=	.....	<u>0</u>	1
		Number of days in the taxation year	<u>365</u>				
225,000	x	Number of days in the taxation year in 2003	<u>365</u>	=	.....	<u>225,000</u>	2
		Number of days in the taxation year	<u>365</u>				
250,000	x	Number of days in the taxation year in 2004	<u>0</u>	=	.....	<u>0</u>	3
		Number of days in the taxation year	<u>365</u>				
300,000	x	Number of days in the taxation year in 2005	<u>0</u>	=	.....	<u>0</u>	3.1
		Number of days in the taxation year	<u>365</u>				

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 not 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 225,000 x **415***** 36,199 **D** = ... 723,980 **E**11,250Reduced 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 $\frac{300,000}{\text{line 4 above}}$ = ... 0 **A**Net active business income (amount from line 400) * 3,185,651 **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 3,185,651 **C****Deduct:**Aggregate investment income (amount from line 440 of page 6) 0 **D**Amount C minus amount D (if negative, enter "0") 3,185,651 3,185,651 **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.

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	365	x 1% = 0 B
			Number of days in the taxation year	365	
Amount A	0	x	Number of days in the taxation year in 2004	0	x 2% = 0 C
			Number of days in the taxation year	365	
Amount A	0	x	Number of days in the taxation year in 2005	0	x 3% = 0 C.1
			Number of days in the taxation year	365	
Resource deduction - total of amounts B, C, and C.1 (enter amount D on line 10 of page 7)				438	0 D

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3				3,185,651 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")			3,185,651	N	
Amount N	3,185,651	x	Number of days in the taxation year in 2001	0	x 1% = 0
			Number of days in the taxation year	365	
Amount N	3,185,651	x	Number of days in the taxation year in 2002	0	x 3% = 0 O
			Number of days in the taxation year	365	
Amount N	3,185,651	x	Number of days in the taxation year in 2003	365	x 5% = 159,283 P
			Number of days in the taxation year	365	
Amount N	3,185,651	x	Number of days in the taxation year after 2003	0	x 7% = 0 Q
			Number of days in the taxation year	365	
General tax reduction for Canadian-controlled private corporations - total of amounts year 2001, O, P, and Q (enter amount R on line 638 of page 7)				159,283	R

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	0 Y	
Amount Y	0	x	Number of days in the taxation year in 2001	0	x 1% = 0
			Number of days in the taxation year	365	
Amount Y	0	x	Number of days in the taxation year in 2002	0	x 3% = 0 Z
			Number of days in the taxation year	365	
Amount Y	0	x	Number of days in the taxation year in 2003	365	x 5% = 0 AA
			Number of days in the taxation year	365	
Amount Y	0	x	Number of days in the taxation year after 2003	0	x 7% = 0 BB
			Number of days in the taxation year	365	
General tax reduction - total of amounts year 2001, Z, AA, and BB (enter amount CC on line 639 of page 7)				0	CC

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 B

Amount A minus amount B (if negative, enter "0") 0 C

Taxable income from line 360 on page 3 3,185,651

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

..... 3,185,651 x 26 2/3% = ... 849,507 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) 768,378

Deduct: Corporate surtax from line 600 of page 7 35,679

Net amount 732,699 732,699 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 1,025,872 x 1/3 341,957 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

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** 1,210,547 A

Corporate surtax calculation

Base amount from line A above 1,210,547 1
Deduct:
 10% of taxable income (line 360 or amount Z, whichever applies) from page 3 318,565 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
 Part I tax otherwise payable 0 c
 (line A plus lines C and D minus line F)
 Total of lines 2 to 6 318,565 7
 Net amount (line 1 minus line 7) 891,982 8

Corporate surtax – 4.00% of the amount on line 8 **600** 35,679 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 3,185,651
Deduct:
 Amount on lines 400, 405, 410, or 425 of page 4, whichever is less .. 0
 Net amount 3,185,651 3,185,651 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) 1,246,226 E

Deduct:

Small business deduction from line 430 of page 4 0 9
 Federal tax abatement **608** 318,565
 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** 159,283
 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 477,848 477,848 F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) 768,378 G

Summary of tax and credits**Federal tax**

Part I tax payable from page 7	700	768,378
Part I.3 tax payable from Schedule 33, 34, or 35	704	28,856
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		797,234

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** 0Provincial tax on large corporations (New Brunswick and Nova Scotia) **765** 0**Total tax payable** **770** **797,234 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** 0Allowable refund for non-resident-owned investment corporations from Schedule 26 **804** 0Provincial and territorial capital gains refund from Schedule 18 **808** 0Provincial and territorial refundable tax credits from Schedule 5 **812** 0Royalties deductible under Syncrude Remission Order **815** 0Tax remitted under Syncrude Remission Order **816** 0Tax instalments paid **840** 797,234**Total credits** **890** 797,234 **797,234 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 \$2 or less.

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** Zehr Last name in block letters **951** William First name in block letters **954** President 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

956 519-271-4700 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 ☐

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 on 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	1,338,041	A

Additions:

Provision for income taxes - current	101	1,234,000	
Interest and penalties on taxes	103	60,771	
Amortization of tangible assets	104	2,010,757	
Amortization of intangible assets	106	30,060	
Income or loss for tax purposes - joint ventures or partnerships	109	9,736	
Non-deductible meals and entertainment expenses	121	3,087	
Reserves from financial statements - balance at the end of the year	126	1,109,000	

Subtotal of additions		4,457,411	4,457,411

Other Additions:**Miscellaneous Other Additions:**

600 Capital tax expensed	290	93,000	

Subtotal of Other Additions	199	93,000	93,000

Total Additions	500	4,550,411	4,550,411

Festival Hydro Inc.

Sch. 001

Account/Business No.: 899571814RC0001

Year Ended:

2003-12-31

Deductions:

Capital cost allowance from Schedule 8.....	403	1,541,356	
Cumulative eligible capital deduction from Schedule 10.....	406	13,612	
Reserves from financial statements-balance at the beginning of the year.....	414	1,039,000	

Subtotal of Deductions.....		2,593,968	2,593,968

Other Deductions:**Miscellaneous Other Deductions:**

700 Capital tax paid.....	390	108,833	

Subtotal of Other Deductions.....	499	108,833	108,833

Total Deductions	510	2,702,801	2,702,801

Net income (loss) for income tax purposes.....

3,185,651

(enter on line 300 on the T2 return)

=====

Complete if payer corporation is connected
and is either a private corporation or
a subject corporation

Name of payer corporation	E Non-taxable dividend under section 83	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)	G Total taxable dividends paid by connected payer corporation	H Dividend refund of the connected payer corporation	I Part IV tax before deductions F x 1/3 **
	230	240	250	260	270
	0	0	0	0	0
	-----	-----	-----	-----	-----
Total (enter on line 320 of the T2 return)	0	0	0	0	0
	=====	=====	=====	=====	=====

For dividends received from non-connected corporation:

Part IV tax equals: Column F x Column H / Column G

** Life insurers are not subject of Part IV tax on subsection 138(6) dividends.

Public corporations (other than subject corporations) do not need to calculate Part IV tax.

0

0

0

0

0

0

0

—

7

360

0

D

400

410

420

430

NR

YYYY/MM/DD
2003-12-31

1,025,872

0

0

0

G

D

0

00

0

00

00

072

Total 1,025,872

450

9

468

1,025,872

Part 4 - Taxable dividends paid in the taxation year

Complete this part if the total taxable dividends paid in the taxation year for purposes of a dividend refund (line 460 above), is different from the total dividends paid in the taxation year.

Total taxable dividends paid in the taxation year for the purposes of

a dividend refund (From above) 460 1,025,872

Other dividends paid in the taxation year

(Total of 510 to 550) 0

Total dividends paid in the taxation year 500 1,025,872

Deduct:

Dividends paid out of capital dividend account 510 0

Capital gains dividends 520 0

Dividends paid on shares described in subsection 129(1.2) 530 0

Taxable dividends paid to a controlling corporation that was

bankrupt at any time in the year 540 0

Deemed dividends paid on a small business development bond 550 0

Subtotal 0

Taxable dividends paid in the taxation year for purposes of a dividend refund 1,025,872

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No.	UCC at Beginning of Year	Cost of Additions During Year	Adjustments	Lesser of Cost or Proceeds	1/2 of [203]-[207]	Rate %	Recapture of Capital Cost Allowance	Terminal Loss	Capital Cost Allowance	Undepreciated Capital Cost end of year
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[220]
1	23,743,929	1,936,133	0	0	968,066	4	0	0	988,480	24,691,582
8	242,249	205,039	0	0	102,519	20	0	0	68,954	378,334
10	394,600	46,285	0	2,757	21,764	30	0	0	124,909	313,219
12	21,594	8,061	0	0	4,030	100	0	0	25,625	4,030
2	5,556,471	0	0	0	0	6	0	0	333,388	5,223,083
Total	29,958,843	2,195,518	0	2,757	1,096,379		0	0	1,541,356	30,610,248

Festival Hydro Inc.

Sch. 009

Account/Business No.: 899571814RC0001 Year Ended:

2003-12-31

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	Number	% of	Book
				of common shares owned	of common shares owned	of preferred shares owned	pre- ferred shares owned	value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]

Festival Hydro Services Inc.		862953726RC0001	3		0 0.00		0 0.00	0

Note: Enter "NR" if a corporation is not registered.

Relationship code:

- 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

Corporate Taxprep / Taxprep des sociétés - TP-09

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

- For use by a corporation that has eligible capital property. For more information, see the "T2 Corporation Income Tax Guide."
- A separate cumulative eligible capital account must be kept for each business.
- This form applies to taxation years that end after February 27, 2000.

Part 1 - Calculation of current year deduction and carry-forward**Cumulative eligible capital - Balance at end of preceding taxation year**(if negative, enter "0") 200 194,462 A**Add:**Cost of eligible capital property acquired during
the taxation year 222 0 BAmount transferred on amalgamation or wind-up
of subsidiary 224 0 COther adjustments 226 0 D

(add amounts B, C, and D) 0 x 0.75 = 0 E

Subtotal (amount A plus amount E) 230 194,462 F**Deduct:**Proceeds of sale (less outlays and expenses not otherwise deductible)
from the disposition of all eligible capital property during
the taxation year 242 0 GThe gross amount of a reduction in respect of a forgiven debt
obligation as provided for in subsection 80(7) 244 0 HOther adjustments 246 0 I(add amounts G, H, and I) 0 x 0.75 = 248 0 J

Cumulative eligible capital balance (amount F minus amount J) 194,462 K

(if amount K is negative, enter "0" at line M and proceed to Part 2)

Current year deduction amount K 194,462 x 7.00% = 250 13,612 L
(enter amount L at line 405 of Schedule 1)Cumulative eligible capital - Closing balance 300 180,850 M
Amount K minus amount L (if negative, enter "0")**Note**

You can claim any amount up to the maximum deduction of 7%. For taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

Part 2 - Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

Amount from line K above (show as a positive amount)..... 0 N

Total of cumulative eligible capital deductions from income for
taxation years beginning after June 30, 1988..... 400 0 1Total of all amounts which reduced cumulative eligible capital in
the current or prior years under subsection 80(7)..... 401 0 2Total of cumulative eligible capital deductions claimed for
taxation years beginning before July 1, 1988..... 402 0 3Negative balances in the cumulative eligible capital account
that were included in income for taxation years beginning
before July 1, 1988..... 408 0 4

Line 3 minus line 4..... 0 0 5

Total of lines 1, 2, and 5..... 0 6

Line T from Schedule 10 of previous taxation years ending
after February 27, 2000..... 409 0 7

Line 6 minus line 7..... 0 0 O

Line N minus line O (cannot be negative)..... 0 P

Amount on line 5 0 x 1/2..... 0 Q

Line P minus line Q..... 0 R

Amount on line R 0 x 2/3 *..... 0 S

Lesser of line N or line O..... 0 T

Amount to be included in income on line 108 of Schedule 1,

line S plus line T

For taxation years ending before February 28, 2000,

line N - line Q..... 410 0

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**

- 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.

If the calendar year to which this agreement applies is after 2006, ensure that the total at line A does not exceed \$300,000.

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.

Allocation of the business limit

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

Enter the calendar year to which the agreement applies 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? [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
Festival Hydro Inc.	899571814RC0001	1	225,000	100.0000	225,000	
See attached				.0000	0	
			Total	100.0000	225,000 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 1.3 tax of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year. The gross Part 1.3 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.

** "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.

1	2	3	4	5	6	7	8
			Business limit (before the allo-	Percentage of the business limit %	Business limit allocated \$	Taxation year end to which this agreement applies	Part 1.3 Tax
Name of associated corporation [100]	Business Number of associated corporation [200]	Asso- ciation code [300]	cation) [350]				

Festival Hydro Services Inc.	862953726RC0001	1	225,000	.0000	0		0
TOTALS			225,000	.0000	0		0

Schedule 23-Supplementary

Corporate Taxprep / Taxprep des sociétés - TP-09

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART 1.3 TAX ON LARGE CORPORATIONS

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part 1.3 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 1.3 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 1.3 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 1.3 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 1.3 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	1,109,000
Capital stock (or members' contributions if incorporated without share capital)	103	19,637,111
Retained earnings	104	1,125,932
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	15,872,533
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

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 37,744,576 37,744,576 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 37,744,576**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 0A loan or advance to another corporation (other than a financial institution) 402 0A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution) 403 0Long-term debt of a financial institution 404 0A 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 0An interest in a partnership (see note 1 below) 407 0Investment allowance for the year 490 0

Part 2 - Investment allowance (cont'd)**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).....	37,744,576	C
Deduct: Investment allowance for the year (line 490).....	0	D
Taxable capital for the year		
(amount C minus amount D) (if negative, enter "0").....	500	37,744,576

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		Taxable income		Taxable	
the year (line 500)		earned		capital	
37,744,576	X	in Canada	610	3,185,651	
		Taxable income		3,185,651	
				in Canada	690
					37,744,576

- 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 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) 37,744,576

Deduct: Capital deduction claimed for the year (enter \$50,000,000 or, for related corporations, the amount allocated on Schedule 36)

801

9,062,500

Excess of taxable capital employed in Canada over capital deduction

811

28,682,076

Year	Line 811		Number of days	Number of days in the taxation year					
Before 2004	28,682,076	x	(365 /	365)	x	.2250%	=	64,535	F
2004	28,682,076	x	(0 /	365)	x	.2000%	=	0	G
2005	28,682,076	x	(0 /	365)	x	.1750%	=	0	H
2006	28,682,076	x	(0 /	365)	x	.1250%	=	0	I
2007	28,682,076	x	(0 /	365)	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)

64,535 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 64,535 x

Number of days in the year

365

=

0 L

365

Gross Part I.3 tax (amount K or L, whichever applies)

820

64,535

Part 6 - Calculation of gross Part 1.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies)	37,744,576	M
Deduct: Capital deduction claimed for the year (1/5 of line 801 if the taxation year end after 2003)	9,062,500	N
Excess (amount M minus amount N) (if negative, enter "0")	28,682,076	O
Amount O	28,682,076	
x	.2250%	
=	64,535	P

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part 1.3 tax for purposes of the unused surtax credit as follows:

Amount P	64,535	x	Number of days in the year	365	=	0	Q
			365				

Gross Part 1.3 tax for purposes of the unused surtax credit
(amount P or Q, whichever applies) 821 64,535

Part 7 - Calculation of current-year surtax credit available

- Corporations can claim a credit against their Part 1.3 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:

			line 690 of this schedule			
c) line 600 from the T2 return	35,679	x	37,744,576	=	35,679	c

			37,744,576			
			line 500 of this schedule			
d) line 700 from the T2 return.....					768,378	d
						35,679 S
Current-year surtax credit available (amount R or S, whichever applies).....					830	35,679

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)	35,679
Less: Gross Part 1.3 tax for purposes of the unused surtax credit (line 821)	64,535
Current-year unused surtax credit (if negative, enter "0")	850 0
Enter this amount at line 600 on Schedule 37.	

Part 9 - Calculation of net Part 1.3 tax payable

Gross Part 1.3 tax (line 820)	64,535	T	
Deduct:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	861 35,679		
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37)	862 0		

Subtotal (cannot be more than amount on line 820)	35,679	35,679	U
	=====	-----	
Net Part 1.3 tax payable (amount T minus amount U)	870 28,856		
Enter this amount at line 704 of the T2 return.		=====	

Festival Hydro Inc.

Account/Business No.: 899571814RC0001 Year Ended:

Attached Sch.
2003-12-31

LCT - Loans and advances

Due to corporate shareholder	28,290.00
Due to related party	7,375.00
Customer deposits - current portion	117,349.00
Customer deposits - long term portion	119,519.00
Demand notes payable	15,600,000.00
	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	<u><u>15,872,533.00</u></u>

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

AGREEMENT AMONG RELATED CORPORATIONS - PART 1.3 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 1.3 tax.

Are any members of the related group liable to pay Part 1.3 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

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

Is this an amended agreement? [Y/N] [N]

Calendar year to which the agreement applies 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 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	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
Festival Hydro Inc.	899571814RC0001	9,062,500	
See attached		937,500	
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: 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.

Festival Hydro Inc.

Account/Business No.: 899571814RC0001 Year Ended:

Sch. 036-Supp.
2003-12-31

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	Business Number (Note 1) [300]	Allocation of capital deduction for the year [400]	Taxation year end to which this agreement applies (Note 2) [500]
Festival Hydro Services Inc.	862953726RC0001	937,500	
TOTAL		937,500	

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.

Schedule 36 - Supplementary

Corporate Taxprep / Taxprep des sociétés - TP-09

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	400	500
Corporation of the City of Stratford	NR		100.00	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

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:
 Telephone Number:

Effective Interest Date	Description (Instalment Remittance, Split Payment, Assessed Credit)	Amount of Credit
		797,234
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0

Total amount of instalments claimed (A)		797,234
		=====
Total instalments credited to the taxation year per T9 (B)		797,234
		=====

TRANSFER				
Account Number	Taxation Year End	Amount	Effective Interest Date	Description
From:				
		0		
To:				



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)

☒ Yes ☐ No

Page 1 of 24

Ministry Use

Corporation's Legal Name (including punctuation) Festival Hydro Inc.			Ontario Corporations Tax Account No. (MOF) 7825059		
Mailing Address 187 Erie Street Stratford ON CA N5A-2M6			This CT23 Return covers the Taxation Year Start 2003-01-01 End 2003-12-31		
Has the mailing address changed since last filed CT23 Return? ☐ Yes ☒ No Date of Change year month day			Date of Incorporation or Amalgamation 2000-07-11		
Registered/Head Office Address 187 Erie Street Stratford ON CA N5A-2M6			Ontario Corporation No. (MCBS) 1484983		
Location of Books and Records 187 Erie Street Stratford ON CA N5A-2M6			Canada Customs and Revenue Agency (formerly Revenue Canada) Business No. 899571814RC0001		
Name of person to contact regarding this CT23 Return William Zehr		Telephone No. 519-271-4700	Fax No.		
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		
Former Corporation Name (Extra-Provincial Corporations only) ☒ Not Applicable (MCBS)			☒ Not Applicable		
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). If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please ☒ this box. Schedule(s) A and K are not required (MCBS). No. of Schedule(s) 0 ☒ No change			Preferred Language/Langue de préférence ☒ 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)

William Zehr

Title: ☐ Director ☒ Officer ☐ 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.

Festival Hydro Inc.

7825059

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** ☒ 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

Hydro Services

- 2** ☐ 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** ☒ 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?	☐	☒
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	☒	☐
Are you requesting a refund due to:		
the Carry-back of a Loss?	☐	☒
an Overpayment?	☐	☒
a Specified Refundable Tax Credit?	☐	☒
Are you a Member of a Partnership or Joint Venture?	☐	☒

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	3,185,651.
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	-	5	0.
Subtract: Prior years' losses applied –	-	From 704	0.
Non-capital losses	-	714	0.
Net capital losses	-	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	3,185,651.
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.
Adjusted Taxable Income	=	20	3,185,651.

		Number of Days in Taxation Year	
Taxable Income		Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days
From 10 (or 20 if applicable)	3,185,651. x 30 100.0000% x 12.5000% x	33 365	365
	Ontario Allocation	73	365
		= + 29 398,206.	
From 10 (or 20 if applicable)	3,185,651. x 30 100.0000% x 14.0000% x	Days after Dec. 31, 2003	Total Days
	Ontario Allocation	34 0	365
		73	365
		= + 32 0.	
Income Tax Payable (before deduction of tax credits)		29 + 32	= 40 398,206.

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 ☐ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	50	3,185,651.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	3,185,651.
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.
	=	3,185,651.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	54	3,185,651.
	55	225,000.
Ontario Business Limit Calculation		
280,000 x	Days after Sept. 30, 2001 and before Jan. 1, 2003	28 0 ÷ ** 365 = + 43 0.
320,000 x	Days after Dec. 31, 2002 and before Jan. 1, 2004	31 365 ÷ ** 365 = + 46 320,000.
400,000 x	Days after Dec. 31, 2003	34 0 ÷ ** 365 = + 47 0.
Business Limit for Ontario purposes	43 + 46 + 47	= 44 320,000.
Income eligible for the IDSBC	From 30	100.0000% x 56 320,000. = 60 320,000.
	**** Ontario Allocation	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

Festival Hydro Inc.

7825059

2003-12-31

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		Total Days	= +	79	.0000
			28	0				
			73	365				
.....	7.00 %	x	Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days	= +	89	7.0000
			31	365				
			73	365				
.....	8.50 %	x	Days after Dec. 31, 2003		Total Days	= +	90	.0000
			34	0				
			73	365				

IDSBC Rate for Taxation Year $\boxed{79} + \boxed{89} + \boxed{90} = \boxed{78} \quad 7.0000$ Claim From $\boxed{60} \quad 320,000.$ x From $\boxed{78} \quad 7.0000\%$ = $\boxed{70} \quad 22,400.$ 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 $\boxed{114}$ 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 $\boxed{10}$ (or $\boxed{20}$ if applicable) + $\boxed{80} \quad 3,185,651.$ **If you are a member of an associated group (X)** $\boxed{81}$ ☒ (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 + $\boxed{82} \quad 64,281.$ Aggregate Taxable Income $\boxed{80} + \boxed{82} + \boxed{83} + \boxed{84}$, etc. = $\boxed{85} \quad 3,249,932.$

Number of Days in Taxation Year

Subtract: $280,000$ x		x	Days after Sept. 30, 2001 and before Jan. 1, 2003		Total Days	= +	$\boxed{113}$	$0.$
			28	0				
			73	365				
$320,000$ x		x	Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days	= +	$\boxed{115}$	$320,000.$
			31	365				
			73	365				
$400,000$ x		x	Days after Dec. 31, 2003		Total Days	= +	$\boxed{116}$	$0.$
			34	0				
			73	365				

 $\boxed{113} + \boxed{115} + \boxed{116} = \quad 320,000.$

(If negative, enter nil)

..... = $\boxed{86} \quad 2,929,932.$

Number of Days in Taxation Year

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From $\boxed{86} \quad 2,929,932.$ x From $\boxed{94} \quad 4.6670\%$ = $\boxed{87} \quad 136,740.$
 From $\boxed{87} \quad 136,740.$ x From $\boxed{60} \quad 320,000.$ + From $\boxed{114} \quad 320,000.$ = $\boxed{88} \quad 136,740.$

Surtax Lesser of $\boxed{70}$ or $\boxed{88}$
continued on Page 6

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	3,185,651.
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 3,185,651. 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	3,185,651.

Claim

		Number of Days in Taxation Year						
143 0.	X	From 30 100.0000%	X	1.5000% X				
Lesser of 130 or 142		* Ontario Allocation						
		<table border="1"> <tr> <td>Days after Sept. 30, 2001 and before Jan. 1, 2004</td> <td>Total Days</td> </tr> <tr> <td>33 0 ÷ 73</td> <td>365</td> </tr> </table>		Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days	33 0 ÷ 73	365	= + 154 0.
Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days							
33 0 ÷ 73	365							
143 0.	X	From 30 100.0000%	X	2.0000% X				
Lesser of 130 or 142		* Ontario Allocation						
		<table border="1"> <tr> <td>Days after Dec. 31, 2003</td> <td>Total Days</td> </tr> <tr> <td>34 0 ÷ 73</td> <td>365</td> </tr> </table>		Days after Dec. 31, 2003	Total Days	34 0 ÷ 73	365	= + 156 0.
Days after Dec. 31, 2003	Total Days							
34 0 ÷ 73	365							
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** 398,206.

continued on Page 7

Festival Hydro Inc.

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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** 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 (GTTTC) (s.43.6)**

Applies to employment of eligible unemployed post secondary graduate.

No. of Graduates From **6596****194** 0Eligible 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** 398,206.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]** 45,537,754.
* Total Revenue of the corporation + **[241]** 8,833,548.

If you are a member of an associated group (x) **[242]** ☒ (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]** 1,338,010. + **[244]** 505,095.

..... + **[245]** + **[246]**

..... + **[247]** + **[248]**

Aggregate Total Assets **[240]** + **[243]** + **[245]** + **[247]**, etc. = **[249]** 46,875,764.

Aggregate Total Revenue **[241]** + **[244]** + **[246]** + **[248]**, etc. = **[250]** 9,338,643.

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]** 2,572,041. X From **[30]** 100.0000% X 4.0000% = **[276]** 102,882.
If negative, enter zero Ontario Allocation

Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) - **[277]** 0.

Subtract: Income Tax - From **[190]** 398,206.

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]** 398,206.

Gross CMT Payable + From **[276]** 102,882.

Subtract: Foreign Tax Credit for CMT purposes - From **[277]** 0.

If **[276]** - **[277]** is negative, enter NIL in **[290]** = 102,882. - **[290]** 102,882.

Income Tax eligible for CMT Credit = **[300]** 295,324.

B. Income Tax (after deduction of specified credits) + From **[230]** 398,206.

Subtract: CMT credit used to reduce income taxes - **[310]** 0.

Income Tax = **[320]** 398,206.

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]**.

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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	19,637,111.
Retained earnings (if deficit, deduct) (Int.B. 3012)	+ 351	1,125,932.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+ 352	0.
Loans and advances (Attach schedule) (Int.B. 3013)	+ 353	15,872,533.
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	0.
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	1,109,000.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	+ 362	0.
Subtotal	= 370	37,744,576.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	- 371	-3,384,913.
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	41,129,489.
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	41,129,489.

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	0.
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	0.

continued on Page 10

Attached Sch.
2003-12-31

-3,384,913.00

Capital Tax *continued from Page 9***Total Assets (Int.B. 3015)**

Total Assets per balance sheet	+	420	45,537,754.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets (<i>Attach schedule</i>)	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
Total Assets as adjusted	=	430	45,537,754.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	-3,384,913.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	+	443	0.
Total Assets	=	450	48,922,667.

Investment Allowance	(410 ÷ 450) × 390	Not to exceed 410	= 460	0
Taxable Capital	390 - 460		= 470	41,129,489

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	8,833,548.
Total Assets (as adjusted)	430	45,537,754.

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.

$$\begin{aligned}
 & + \text{ From } \boxed{470} \underline{\hspace{1cm}} \boxed{0} \underline{\hspace{1cm}} \\
 & - \hspace{10cm} \boxed{0} \underline{\hspace{1cm}} \\
 & = \boxed{471} \underline{\hspace{1cm}} \boxed{0} \underline{\hspace{1cm}} \times \text{ From } \boxed{30} \underline{\hspace{1cm}} \boxed{100.0000} \% \times \hspace{1cm} \boxed{.3000} \% \times \frac{\boxed{555} \underline{\hspace{1cm}} \boxed{365}}{\boxed{365}} \dots\dots\dots = + \boxed{523} \underline{\hspace{1cm}} \boxed{0} \underline{\hspace{1cm}}
 \end{aligned}$$

Days in taxation year
 Ontario Allocation
 ** 365
 (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

Capital Tax Calculation *continued from Page 10***SECTION C**

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 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 41,129,489.

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

See attached				+ ☐ 531	<u>1,256,273.</u>
				+ ☐ 532	<u> </u>
				+ ☐ 533	<u> </u>
Aggregate Taxable Capital ☐ 470 + ☐ 531 + ☐ 532 + ☐ 533, etc.				= ☐ 540	<u>42,385,762.</u>

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 41,129,489. + From ☐ 540 42,385,762. x 5,000,000 = ☐ 541 4,851,805.

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.

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																	

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																			

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 Page 12

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

Festival Hydro Inc.

7825059

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 3,185,651.

Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	1,541,356.
Federal cumulative eligible capital deduction	+ 602	13,612.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	1,039,000.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	1,109,000.
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-arm's length non-residents

Number of Days in Taxation Year

$$[612] \quad 0. \times 5 \div 12.5000 \times [33] \quad 365 \div [73] \quad 365 = + [633] \quad 0.$$

$$[612] \quad 0. \times 5 \div 14.0000 \times [34] \quad 0 \div [73] \quad 365 = + [634] \quad 0.$$

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] = 3,702,968. [640] 3,702,968.

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under [675])	+ [650]	1,541,356.
Ontario cumulative eligible capital deduction	+ [651]	13,612.
Federal taxable capital gain	+ [652]	0.
Ontario non-allowable reserves. Balance beginning of year	+ [653]	1,039,000.
Ontario allowable reserves. Balance end of year	+ [654]	0.
Federal non-allowable reserves. Balance end of year	+ [655]	1,109,000.
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]	3,702,968.

Transfer to Page 15

continued on Page 15

Festival Hydro Inc.

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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 $\pm$ 600 3,185,651.Total of Additions From $=$ 640 3,702,968.Sub Total of deductions on page 14 From $=$ 681 3,702,968.**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	Gross-up of CCA				
<u>662</u>	0.	x	<u>100</u>		
	From <u>30</u>		<u>100.0000</u>		
	Ontario Allocation				
				- From <u>662</u>	0.
				$=$ <u>663</u>	0.

Workplace Child Care Tax Incentive

Qualifying expenditures:	<u>665</u>	0.	x	<u>30.00%</u>	x	<u>100</u>		$=$ <u>666</u>	0.
				From <u>30</u>		<u>100.0000</u>			
						Ontario Allocation			

Workplace Accessibility Tax Incentive

Qualifying expenditures:	<u>667</u>	0.	x	<u>100.00%</u>	x	<u>100</u>		$=$ <u>668</u>	0.
				From <u>30</u>		<u>100.0000</u>			
						Ontario Allocation			

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:	<u>670</u>	0.	x	<u>30.00%</u>	x	<u>100</u>		$=$ <u>671</u>	0.
				From <u>30</u>		<u>100.0000</u>			
						Ontario Allocation			

Educational Technology Tax Incentive (Applies to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures:	<u>672</u>	0.	x	<u>15.00%</u>	x	<u>100</u>		$=$ <u>673</u>	0.
				From <u>30</u>		<u>100.0000</u>			
						Ontario Allocation			

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 .. $=$ 3,702,968. 680 3,702,968.Net income (loss) for Ontario Purposes 600 $+$ 640 $-$ 680 $=$ 690 3,185,651.

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)	710 (2)	720 (2)	730	740	750
	0	0	0	0	0	0
Add:	701	711	721	731	741	751
Current year's losses (7)	0	0	0	0	0	0
Losses from predecessor corporations (3)	702	712	722	732		752
	0	0	0	0		0
Subtotal	703	713	723	733	743	753
	0	0	0	0	0	0
Subtract:	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	0	0	0	0	0	0
	705		725	735	745	
Expired during the year	0		0	0	0	
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	
	0	0	0	0	0	
Subtotal	707	717	727	737	747	757
	0	0	0	0	0	0
Balance at End of Year	709 (8)	719	729	739	749	759
	0	0	0	0	0	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 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) 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 1994-12-31				850	870
				0	0
801 8th preceding taxation year 1995-12-31				851	871
				0	0
802 7th preceding taxation year 1996-12-31				852	872
				0	0
803 6th preceding taxation year 1997-12-31	820	830	840	853	873
	0	0	0	0	0
804 5th preceding taxation year 1998-12-31	821	831	841	854	874
	0	0	0	0	0
805 4th preceding taxation year 1999-12-31	822	832	842	855	875
	0	0	0	0	0
806 3rd preceding taxation year 2000-12-31	823	833	843	856	876
	0	0	0	0	0
807 2nd preceding taxation year 2001-12-31	824	834	844	857	877
	0	0	0	0	0
808 1st preceding taxation year 2002-12-31	825	835	845	858	878
	0	0	0	0	0
809 Current taxation year 2003-12-31	826	836	846	859	879
	0	0	0	0	0
Total	829	839	849	869	889
	0	0	0	0	0

Festival Hydro, Inc.

7825059

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

	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

Summary

Income tax	+ From 230 or 320	398,206
Corporate Minimum Tax	+ From 280	0
Capital Tax	+ From 550	108,833
Premium Tax	+ From 590	0
Total Tax Payable	= 950	507,039
Subtract: Payments	- 960	102,777
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	404,262
If payment due	Enclosed * 990	404,262
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)

William Zehr

Title

President

Full Residence Address

187 Erie Street

Stratford

ON

CA

N5A-2M6

Signature

Date

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

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	.....	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.
Adjustments (attach schedule)	.....	±	2208	.....	0.
CMT losses available	2201 + 2207 ± 2208	.....	=	2209	.....
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.
Balances at End of Year (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 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 1994-12-31	2260 0	2280 0
2241	8th preceding taxation year 1995-12-31	2261 0	2281 0
2242	7th preceding taxation year 1996-12-31	2262 0	2282 0
2243	6th preceding taxation year 1997-12-31	2263 0	2283 0
2244	5th preceding taxation year 1998-12-31	2264 0	2284 0
2245	4th preceding taxation year 1999-12-31	2265 0	2285 0
2246	3rd preceding taxation year 2000-12-31	2266 0	2286 0
2247	2nd preceding taxation year 2001-12-31	2267 0	2287 0
2248	1st preceding taxation year 2002-12-31	2268 0	2288 0
2249	Current taxation year 2003-12-31	2269 0	2289 0
Totals		2270 0	2290 0

The sum of amounts 2270 + 2290
must equal amount in 2214.

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) ± [2308] 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 1994-12-31	[2360] 0	[2380] 0
[2341]	8th preceding taxation year 1995-12-31	[2361] 0	[2381] 0
[2342]	7th preceding taxation year 1996-12-31	[2362] 0	[2382] 0
[2343]	6th preceding taxation year 1997-12-31	[2363] 0	[2383] 0
[2344]	5th preceding taxation year 1998-12-31	[2364] 0	[2384] 0
[2345]	4th preceding taxation year 1999-12-31	[2365] 0	[2385] 0
[2346]	3rd preceding taxation year 2000-12-31	[2366] 0	[2386] 0
[2347]	2nd preceding taxation year 2001-12-31	[2367] 0	[2387] 0
[2348]	1st preceding taxation year 2002-12-31	[2368] 0	[2388] 0
[2349]	Current taxation year 2003-12-31	[2369] 0	[2389] 0
Totals		[2370] 0	[2390] 0

The sum of amounts [2370] + [2390]
must equal amount in [2310].

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		Total Days	
8.50%	x 0	/	365	= .0000%

IDSBC Rate for the Taxation Year	=	7.0000%
		=====

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		Total Days		
4.6670%	x 0	/	365	=	.0000%
Specified Rate of Surtax for the Taxation Year				=	4.6670%
					=====

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	7825059	2003-12-31

[illegible]

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1	2	3	4	5	6	7	8	9	10	11	12	13
Class number	Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	Cost of acquisitions during the year (new property must be available for use)	Net (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)	Reduced undepreciated capital cost (column 6 minus acquisitions column 7)	CCA rate & cost allowance	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	23,743,929	1,936,133	0	0	25,680,062	968,066	24,711,996	4	0	0	988,480	24,691,582
8	242,249	205,039	0	0	447,288	102,519	344,769	20	0	0	68,954	378,334
10	394,600	46,285	0	2,757	438,128	21,764	416,364	30	0	0	124,909	313,219
12	21,594	8,061	0	0	29,655	4,030	25,625	100	0	0	25,625	4,030
2	5,556,471	0	0	0	5,556,471	0	5,556,471	6	0	0	339,388	5,223,083
Total	29,958,843	2,195,518	0	2,757	32,151,604	1,096,379	31,055,225		0	0	1,541,356	30,610,248
Enter in boxes [650]										[650]	[650] on the Ctr23	

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.



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

Ontario Cumulative Eligible Capital Deduction

Schedule 10

(For taxation years 2000 and later)

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	7825059	2003-12-31

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) 194,462^A

Add: Cost of eligible capital property acquired during the taxation year + 0^B
Amount transferred on amalgamation or wind-up of subsidiary + 0^C
Other adjustments + 0^D
Total of B + C + D = 0 X 0.75 = 0^E
Subtotal A + E = 194,462^F

Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible)
from the disposition of all eligible capital property during the taxation year + 0^G
The gross amount of a reduction in respect of a forgiven debt obligation
as provided for in subsection 80(7) of the *Income Tax Act* (Canada) + 0^H
Other adjustments + 0^I
Total of G + H + I = 0 X 0.75 = 0^J
Ontario cumulative eligible capital balance F – J = 194,462^K

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction 194,462^K X 7.00% * = 13,612^L
* The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.
Enter amount in box 651 of the CT23

Ontario cumulative eligible capital - closing balance K – L (if negative, enter zero) = 180,850^M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition

Only complete this part if the amount at line K is negative

Amount from line K above (show as a positive amount) 0^N
Total cumulative eligible capital deductions from income for
taxation years beginning after June 30, 1988 0¹
Total of all amounts which reduced cumulative eligible capital
in the current or prior years under subsection 80(7) of the ITA 0²
Total of cumulative eligible capital deductions claimed for
taxation years beginning before July 1, 1988 0³
Negative balances in the cumulative eligible capital account
that were included in income for taxation years beginning
before July 1, 1988 0⁴
Line 3 deduct line 4 0⁵
Total lines 1 + 2 + 5 0⁶
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 0⁷
Deduct line 7 from line 6 0^O
N – O (cannot be negative) 0^P
Amount on line 5 0 X 1/2 0^Q
P – Q 0^R
Amount on line R 0 X 2/3 * 0^S
Lesser of line N or line O 0^T
Amount to be included in income S + T 0

* Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

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
Festival Hydro Inc.	7825059	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.

[illegible]

Transfer to box **540** of the CT23

— 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	0	0	0	0
2004-02-29	0	0	0	0
2004-03-31	50,704	0	50,704	0
2004-04-30	50,704	0	101,408	0
2004-05-31	50,704	0	152,112	0
2004-06-30	50,704	0	0	202,816
2004-07-31	50,704	0	0	50,704
2004-08-31	50,704	0	0	50,704
2004-09-30	50,704	0	0	50,704
2004-10-31	50,704	0	0	50,704
2004-11-30	50,704	0	0	50,704
2004-12-31	50,704	0	0	50,704
2005-01-31				42,254
2005-02-28				42,254
	-----	-----		-----
Total	507,040	0		591,548
	=====	=====		=====



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

Account No.

1800294

35

PX5005

FESTIVAL HYDRO INC.
WILLIAM ZEHR
187 ERIE ST
PO BOX 397
STRATFORD
N5A 2M6

ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

2	0	0	3	1	2	3	1

Payment Amount: \$

Total Payment Enclosed: \$



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 2003/01/01 to 2003/12/31

FESTIVAL HYDRO INC.

Account No.

1800294

Reassessment Date
(year, month, day)

2005/05/16

Page

3 of 3

REASSESSMENT NO. 88 REPLACING ASSESSMENT DATED: 2004/07/27 /

Tax: Federal and Provincial PIL

1,304,273.00

Assessment Interest

16,155.56

Total Reassessment Liability

1,320,428.56

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

1,304,881.26CR

Small Balance Adjustment

2.00CR

Sub-Total

1,304,883.26CR

TAXATION YEAR BALANCE DUE **

15,545.30

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.

Adjustment to the computation of Total Tax payable.

Mathematical error in computation of Net Paid-up Capital.

Mathematical error in computation of Taxable Paid-up Capital.

Adjustment to the computation of Capital Tax.

Adjustment to the computation of taxable income (non-capital loss).

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC). The current interest rate is 0.0191780%.

DRAFT – SEPTEMBER 23, 2004

Financial Statements of

FESTIVAL HYDRO INC.

Year ended December 31, 2003

AUDITORS' REPORT

To the Shareholder of Festival Hydro Inc.:

We have audited the balance sheet of Festival Hydro Inc. as at December 31, 2003 and the statements of earnings, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company'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 Festival Hydro Inc. 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.

The comparative figures were audited by another firm of Chartered Accountants.

Chartered Accountants

London, Canada

March 19, 2004, except for note 2 which is as of September 20, 2004.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Balance Sheet

December 31, 2003, with comparative figures for 2002

	2003	2002 (as restated)
Assets		
Current assets:		
Cash	\$ 6,003,841	\$ 2,863,462
Accounts receivable	3,301,120	3,760,841
Due from Festival Hydro Services Inc. (note 13)	-	54,319
Inventory	994,874	900,045
Prepaid expenses	206,246	228,953
Unbilled revenue	4,304,302	3,859,867
	14,810,383	11,667,487
Treasury bills (note 14)	1,832,932	2,346,255
Property, plant and equipment (note 3)	27,632,957	27,325,837
Regulatory assets, net (note 4)	433,100	1,019,960
Goodwill	515,359	515,359
Prepaid pension costs	117,000	117,000
Organization costs, net of accumulated amortization of \$104,577 (2002 - \$74,517)	196,023	226,083
	\$ 45,537,754	\$ 43,217,981

Liabilities and Shareholder's Equity

Current liabilities:		
Accounts payable and current liabilities	\$ 6,416,046	\$ 4,936,460
Due to the Corporation of the City of Stratford	28,290	605,526
Payments in-lieu of corporate taxes	1,120,284	137,074
Accrued vacation, wages and benefits	256,848	256,522
Demand notes payable (note 5)	15,600,000	15,600,000
Current portion of customers deposit	117,349	119,327
Due to Festival Hydro Services Inc. (note 13)	7,375	-
	23,546,192	21,654,909
Post employment benefits (note 6)	1,109,000	1,039,000
Customer deposits	119,519	73,198
Shareholder's equity:		
Share capital (note 7)	19,637,111	19,637,111
Retained earnings	1,125,932	813,763
	20,763,043	20,450,874
Commitments (note 14)		
	\$ 45,537,754	\$ 43,217,981

See accompanying notes to financial statements.
On behalf of the Board:

Director

Director

DRAFT – SEPTEMBER 23, 2004
FESTIVAL HYDRO INC.

Statement of Earnings

Year ended December 31, 2003, with comparative figures for 2002

	2003	2002 (as restated)
Revenue:		
Power	\$ 8,115,253	\$ 7,772,872
Interest	275,802	297,089
Miscellaneous	217,939	103,984
Late payment and other customer charges	118,232	104,841
Rentals	106,322	90,835
	8,833,548	8,369,621
Expenses:		
Operating and maintenance	935,463	1,169,856
Billing, data processing and collection	893,304	885,576
Administrative	1,257,857	1,210,146
Amortization of property, plant and equipment	2,010,757	2,117,124
Amortization of organization costs	30,060	30,060
	5,127,441	5,412,762
Earnings before the undernoted	3,706,107	2,956,859
Interest expense	1,134,066	1,058,246
Earnings before payments in lieu of corporate income taxes	2,572,041	1,898,613
Provision for payments in lieu of corporate income taxes (note 8)	1,234,000	895,680
Net earnings	\$ 1,338,041	\$ 1,002,933

See accompanying notes to financial statements.

DRAFT – SEPTEMBER 23, 2004
FESTIVAL HYDRO INC.

Statement of Retained Earnings

Year ended December 31, 2003, with comparative figures for 2002

	2003	2002
		(as restated)
Retained earnings, beginning of year	813,763	115,830
Net earnings, as restated (note 2)	1,338,041	1,002,933
Dividends paid	(1,025,872)	(305,000)
Retained earnings, end of year	\$ 1,125,932	\$ 813,763

See accompanying notes to financial statements.

DRAFT – SEPTEMBER 23, 2004
FESTIVAL HYDRO INC.

Statement of Cash Flows

Year ended December 31, 2003, with comparative figures for 2002

	2003	2002
Cash provided by (used in):		
Operating activities:		
Net earnings	\$ 1,338,041	\$ 1,002,933
Adjustment for:		
Amortization	2,040,817	2,147,184
Change in non-cash operating working capital (note 12)	1,890,746	(1,075,638)
	5,269,604	2,074,479
Financing activities:		
Proceeds from demand note payable	-	1,700,000
Treasury bills	513,323	(2,346,255)
Customer deposits	44,343	64,106
Post employment benefits	70,000	31,029
Redemption of Class A special shares	-	(1,700,000)
Dividends paid	(1,025,872)	(305,000)
	(398,206)	(2,556,120)
Investing activities:		
Purchase of property, plant and equipment and plant retirement	(2,317,879)	(2,385,881)
Organization costs	-	(2,397)
Regulatory assets	586,860	(1,097,138)
	(1,731,019)	(3,485,416)
Increase (decrease) in cash	3,140,379	(3,967,057)
Cash, beginning of year	2,863,462	6,830,519
Cash, end of year	\$ 6,003,841	\$ 2,863,462
Supplemental cash flow information:		
Taxes paid	\$ 930,427	\$ 986,318
Interest paid	\$ 1,133,986	\$ 1,058,068

See accompanying notes to financial statements.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements

Year ended December 31, 2003

Festival Hydro Inc. (the “Company”) was incorporated under the Business Corporations Act (Ontario) pursuant to Section 142 of the Electricity Act 1998 on July 11, 2000. The Corporation of the City of Stratford (the “City”) passed a bylaw pursuant to Section 145 of the Electricity Act 1998 transferring certain assets and liabilities used in connection with the sale of electricity and electrical distribution systems from the Stratford Public Utility Commission – Electric Department (the “Corporation”). In exchange for these assets the City received a promissory note and 10,001 common shares. This business is regulated by the Ontario Energy Board (“OEB”).

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (“GAAP”) including accounting principles prescribed by the OEB in the handbook Accounting Procedures Handbook for Electric Distribution Utilities (“AP Handbook”) and reflect the significant accounting policies as summarized below:

(a) Revenue recognition:

In accordance with OEB regulation, the Company recognizes as revenue the regulated distribution tariffs associated with energy distributed and variances between energy purchase costs and energy billed are recorded as regulatory assets or liabilities for future rate application consideration.

The Company follows the practice of cycle billing customers’ accounts and revenue is recognized in the period billed. An accrual is made in the accounts at December 31, for power supplied but not billed to customers between the date the meters were last read and the end of the year.

(b) Inventory:

Inventory consists of parts, supplies and material held for the future capital expansion and are valued at the lower of average weighted cost and net realizable value.

(c) Organization costs:

Costs incurred for the amalgamation of the corporations, 1438188 Ontario Inc., 1438189 Ontario Inc., 1438190 Ontario Inc., 1438191 Ontario Inc., 1438192 Ontario Inc., 1438193 Ontario Inc. and Festival Hydro Inc., are being amortized over ten years on a straight-line basis.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

1. Significant accounting policies (continued):

(d) Property, plant and equipment:

Property, plant and equipment assets are recorded in the accounts at cost and are amortized on a straight-line basis at varying rates estimated to write-off the cost of each asset over its useful life. The assets and rates are as follows.

Asset	Rate
Distribution lines, underground	4 %
Distribution lines, overhead	4 %
Transformers	4 %
Meters	4 %
Buildings	2 %
Transportation equipment	12.5 or 20 %
Transmission, underground	4 %
Computer equipment	20 %
Office equipment	10 %
Miscellaneous assets	10 %

Maintenance and repair items are expensed as incurred. Additions, renewals or betterments are capitalized. Any normal gain or loss on sale or retirement of buildings or equipment is included in operating revenues/costs in the year of disposal.

(e) Post employment benefits:

Employee future benefits provided by Festival Hydro Inc. include medical and life insurance benefits. These plans provide benefits to certain employees when they no longer provide active service. Employee future benefit expense is recognized in the period in which the employees render the services.

Employee future benefits are recorded on an accrual basis. The accrued benefit obligations and current service costs are calculated using the projected benefits method pro-rated on service and based on assumptions that reflect management's best estimate. 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. Actuarial gains (losses) are amortized into expense over the average remaining service period of active employees to full eligibility.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

1. Significant accounting policies (continued):

(f) Payments-in-lieu of corporate income taxes and capital taxes:

The current tax-exempt status of the Company under the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) reflects the fact that the Company is wholly owned by a municipality. This tax-exempt status might be lost in a number of circumstances, including if the municipality ceases to own 90% or more of the shares or capital of the Company, or if a non-government entity has rights immediately or in the future, either absolutely or contingently, to acquire more than 10% of the shares of the Company.

Commencing October 1, 2001, the Company is required, under the Electricity Act, 1998 to make payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation. 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.

As a result of becoming subject to payments in lieu of corporate income taxes (“PILs”), the Company’s taxation year was deemed to have ended immediately beforehand and a new taxation year was deemed to have commenced immediately thereafter. The Company was therefore deemed to have disposed of each of its assets at their then fair market value and to have reacquired such assets at that same amount for purposes of computing its future income subject to PILs. For purposes of certain provisions, the Company was deemed to be a new company and, as a result, tax credits or tax losses not previously utilized by the Company would not be available to it after the change in tax status. Essentially, the Company was taxed as through it had a “fresh start” at the time of its change in tax status.

The Company provides for PILs relating to its regulated business using the taxes payable method as allowed by the OEB. Under the taxes payable method, no provisions are booked for temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes as a result of temporary differences between tax basis and accounting purposes become payable, they will be charged to the statement of operations at that time.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

1. Significant accounting policies (continued):

(g) Contributed capital:

Prior to January 1, 2000, contractor's capital contributions toward the construction or acquisition of capital assets by the Corporation were referred to as miscellaneous paid-in capital and disclosed as a permanent component of utility equity.

Effective May 1, 2000, the Company prospectively adopted the change in accounting policy for contributions received in aid of construction (contributed capital), as prescribed by the OEB "Accounting Procedures Handbook for Electric Distribution Utilities". Contributed capital contributions are required contributions received from outside sources, used to finance additions to capital assets. Contributed capital contributions received are treated as a "credit" contra account included in the determination of capital assets. The amount is subsequently amortized by a charge to accumulated amortization and a credit to amortization expense, at an equivalent rate to that used for the amortization of the related capital assets.

(h) Customers deposits:

Customer deposits are cash collections from customers to guarantee the payment of energy bills. Deposits expected to be refunded to customers within the next fiscal year are classified as a current liability.

(i) Goodwill:

Goodwill represents the excess of cost over fair value of net assets of businesses acquired. The carrying value of goodwill is evaluated for impairment on an annual basis, or more frequently if circumstances require, with any write-down of the carrying value of goodwill being charged against the results of operations. The Company has determined that goodwill is not impaired.

(j) Related party transactions:

Transactions with related parties represent the culmination of the earnings process and are measured at the exchange amount agreed to by the parties.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

1. Significant accounting policies (continued):

(k) Financial instruments:

The Company's financial instruments consist of accounts receivable, bank borrowings and accounts payable. Management is of the opinion that the fair values of all financial assets and liabilities are not materially different from their carrying values.

The carrying value of the demand notes payable approximate their fair value as repayment of the demand note is indefinite at this time.

(l) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Retroactive adjustment:

The Corporation has restated its December 31, 2002 financial statements to correct an error in the calculation of the provision for payments in lieu of corporate income taxes. The impact of the restatement was an increase to payment in lieu of corporate taxes and the provision for payments in lieu of corporate income taxes in the amount of \$616,000.

3. Property, plant and equipment:

			2003	2002
	Cost	Accumulated amortization	Net book value	Net book value
Distribution lines, underground	\$ 18,287,753	\$ 8,838,587	\$ 9,449,166	\$ 9,859,255
Distribution lines, overhead	13,057,442	5,089,838	7,967,604	6,985,955
Transformers	10,826,010	5,374,853	5,451,157	5,622,468
Services	3,455,710	1,543,669	1,912,041	1,859,853
Meters	2,815,736	1,600,027	1,215,709	1,081,236
Buildings	2,134,014	827,593	1,306,421	1,297,414
Transportation equipment	2,065,571	1,873,220	192,351	293,452
Distribution equipment	1,697,625	1,067,249	630,376	676,049
Computer equipment	1,249,830	927,054	322,776	178,748
Miscellaneous assets	578,157	457,614	120,543	129,417
Office equipment	428,714	343,236	85,478	104,738
Contributions, capital	(1,138,190)	(117,525)	(1,020,665)	(762,748)
	\$ 55,458,372	\$ 27,825,415	\$ 27,632,957	\$ 27,325,837

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

4. Regulatory assets:

Regulatory assets and liabilities arise as a result of the rate-setting process. Festival Hydro Inc. has recorded the following assets and liabilities:

	2003	2002
Assets:		
Post-market opening retail settlement variances:		
Wholesale market charges	\$ 850,097	\$ 819,373
Cost of power variance	49,401	214,452
Retail settlement variance accounts	116,934	64,670
Deferred payments in lieu of corporate income taxes	50,953	15,868
Commodity rebate costs	28,183	21,276
Qualifying transitional costs recoverable:		
Transition costs	273,738	291,882
	1,369,306	1,427,521
Liabilities:		
Post-market opening transmission network and connection charges	(546,564)	(70,671)
Pre-market opening cost of power variance	(182,229)	(182,229)
	(728,793)	(252,900)
Less provision for unrecoverable interest	(207,413)	(154,661)
	\$ 433,100	\$ 1,019,960

Regulatory assets represent costs incurred by the Corporation for the purpose of supporting the deregulation of the electricity industry in Ontario. These amounts have been accumulated pursuant to regulation underlying the EA and deferred in anticipation of their future recovery in electricity distribution service charges.

Qualifying transitional costs recoverable - represent specific and incremental costs to the Corporation for systems and process changes to support the opening of the competitive electricity market in Ontario on May 1, 2002 ("Market Opening"). These costs have been deferred pursuant to regulation underlying the EA and are subject to review and approval for recovery by the Ontario Energy Board ("OEB"). Expenditures determined to be ineligible for recovery will be expensed in the period of such determination.

Pre-market opening cost of power variance - represent the excess of the cost of the commodity electricity to the Corporation over the amount billed to its customers prior to Market Opening.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

4. Regulatory assets (continued):

Post-market opening retail settlement variances - represent amounts that have accumulated since Market Opening and comprise:

- (a) variances between amounts charged by the Independent Electricity Market Operator (“IMO”) for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission charges, and the amounts billed to customers by the Corporation based on the OEB approved wholesale market service rate; and
- (b) variances between the amounts charged by the IMO to allow for purchases of electricity and the amounts billed to customers by the Corporation based on OEB approved rates.
- (c) Deferred payments in lieu of corporate income taxes – represent variances that result from the difference between OEB approved PILs recoverable in electricity distribution services charges and the actual amount of these charges to customers that relates to the recovery of PILs.

Restructuring of the electricity industry in Ontario

The Ontario Energy Board Act, 1998 (Ontario) (“OEBA”), conferred on the Ontario Energy Board (“OEB”) increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity consumers, and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions to electricity distributors which may include, among other things, specified accounting records, regulatory accounting principles, separation of accounts for distinct businesses and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory treatments that may result in accounting treatments that differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

In response to volatile and rising electricity prices in 2002, the Province of Ontario enacted The Electricity Pricing, Conservation and Supply Act, 2002 (“EPCSA”). Under the EPCSA, the electricity distribution rates charged by the Corporation were effectively frozen at current levels until 2006. The EPCSA directed electricity distribution utilities, such as the Corporation, to continue deferral of regulatory assets.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

4. Regulatory assets (continued):

Restructuring of the electricity industry in Ontario (continued)

On December 18, 2003, a newly elected and currently ruling government in the Province passed legislation, the *Ontario Energy Board Amendment Act (Electricity Pricing)*, 2003 (the "Amendment Act"), which is based on a principle that the price of electricity should better reflect its true cost. The Amendment Act, which has not yet been proclaimed in force, will effectively remove the cap on the commodity price of electricity imposed by the EPCSA in favour of an interim two tiered and fixed commodity price structure. For residential and small commercial customers, the fixed commodity price will be 4.7¢ per kWh for the first 750 kWh of consumption per month and 5.5¢ per kWh for any incremental monthly consumption thereafter. The interim structure will remain in place until no later than May 1, 2005 after which the OEB will assume responsibility for setting the commodity price for electricity under a process yet to be developed.

In conjunction with the passing of the Amendment Act, the Minister of Energy issued a letter dated December 19, 2003 (the "Minister's Letter") stating an intention to allow electricity distribution companies to recover regulatory assets and proceed to earn the original, full regulatory rate of return as follows:

- Commencing in fiscal 2004, electricity distribution companies were permitted through a rate filing with the OEB in accordance with its prescribed rate filing guidelines, to request rate increases to permit the recovery of regulatory assets over a four year period. The Corporation filed a rate application with the OEB in January 2004 and anticipates recovering its regulatory assets over a four year period commencing April 1, 2004 with such recovery subject to the OEB's approval following its review of these amounts;
- Commencing March 1, 2005, electricity distribution companies will be permitted to adjust rates to achieve the full theoretical regulatory rate of return, currently 9.88%. However, the Minister's Letter imposes a condition the electricity distribution companies invest the equivalent of one year of the amount of the adjustment in conservation and demand side management initiatives, to be prescribed in future regulation.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

5. Demand notes payable:

	2003	2002
Demand notes payable to shareholder bearing interest at 7.25% per annum, with interest payments only, due on demand	\$ 15,600,000	\$ 15,600,000

Interest paid on the promissory notes for the year ended December 31 was \$1,131,000 (2002 - \$1,057,735).

6. Post employment benefits:

Information about Festival Hydro Inc.'s defined benefit plans is as follows:

	2003	2002
Accrued benefit obligation:		
Balance, end of prior year	\$ 1,039,000	\$ 1,008,000
Service cost	28,000	26,000
Interest cost	59,000	57,000
Actuarial loss	29,000	2,000
Benefits paid	(46,000)	(54,000)
Projected accrued benefit obligation, end of year	\$ 1,109,000	\$ 1,039,000
Components of net periodic benefit cost:		
Service cost	\$ 28,000	\$ 26,000
Interest cost	59,000	57,000
Amortization of actuarial losses	29,000	2,000
Net periodic benefit cost	\$ 116,000	\$ 85,000

An adjustment was made to set up a deferred charge of \$117,000 as at December 31, 2001 to reflect additional past service costs arising from the September 7, 2001 amalgamation which were discovered during the 2002 actuarial valuation. When employees retire, this amount will be reduced by charges to operations.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

7. Share capital:

	2003	2002
Authorized:		
Unlimited Class A special shares, non-cumulative, 5.0%		
Unlimited Class B special shares		
Unlimited common shares		
Issued:		
6,100 Class A special shares	\$ 6,100,000	\$ 6,100,000
10,001 common shares	13,537,111	13,537,111
	<u>\$ 19,637,111</u>	<u>\$ 19,637,111</u>

Dividends paid on the 6,100 Class A special shares during 2003 totaled \$305,000 (2002 - \$305,000). Dividends paid on the 10,001 common shares during 2003 totaled \$720,872 (2002 - nil).

8. Income taxes:

(a) Income tax rate:

The Company's effective income tax rates differed from the statutory combined federal and provincial rates primarily due to the following:

	2003	2002
Earning before income taxes	\$ 2,572,041	\$ 1,898,613
Income tax expense based on combined federal and provincial statutory income tax rate of 36.6% (2002 – 38.6%)	\$ 941,000	\$ 730,000
Large corporations tax	30,000	36,000
Tax effect of excess capital cost allowance taken over depreciation	180,000	203,000
Tax effect of non-capital losses utilized	-	(43,000)
Tax effect of other temporary differences	26,000	12,000
Tax effect of non-deductible expenses	17,000	-
Other items	40,000	(42,320)
Income tax expense recognized	<u>\$ 1,234,000</u>	<u>\$ 895,680</u>

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

9. Pension agreements:

Effective February 1, 1989, the Festival Hydro Inc. commenced participation in the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer plan, for all active employees at that date as well as for all new employees. As of December 31, 2003, there were forty-six active employees. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on their length of service and rates of pay.

Effective August 1, 1998, OMERS declared a contribution holiday that temporarily suspended payments to the plan until December 31, 2002.

Beginning January 1, 2003, contributions were reintroduced at a rate of 2.1% for employee earnings below the year's maximum pensionable earnings and 2.6% thereafter. Contributions by the Company for the year were \$52,530 (2002 – nil). These rates increased to 6.0% and 8.8%, respectively, effective the first full pay of January 2004.

10. Public liability insurance:

The Company is a member of the Municipal Electrical Association Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a pooling of public liability insurance risks of many of the municipal utilities in Ontario. All members of the pool are subject to assessment for losses experienced by the pool for the years in which they were members on a pro-rata basis based on the total of their respective service revenues. It is anticipated that should such an assessment occur it would be funded over a period of up to five years. As at December 31, 2003, no assessments have been made.

11. Credit risks:

Credit risk is the risk that a counterparty will fail to discharge its obligation to the Company reducing the expected cash inflow from Company assets recorded at the balance sheet date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions.

The Company has assessed that there are no significant concentrations of credit risk other than the present uncertainty relating to the recovery of regulatory assets. The final regulatory amount recoverable will be assessed in future years by the regulator after the audit of those costs.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

12. Change in non-cash operating working capital:

	2003	2002
Cash increase (decrease):		
Accounts receivable	\$ 459,722	\$ 886,256
Inventory	(94,829)	114,090
Prepaid expenses	22,707	(81,695)
Payment in lieu of corporate income taxes	983,211	157,474
Unbilled revenue	(444,435)	(2,578,091)
Accounts payable	1,479,586	(275,175)
Accrued vacation, wages and benefits	326	22,092
Due to the Corporation of the City of Stratford	(577,236)	500,274
Due to Festival Hydro Services Inc.	61,694	179,137
	\$ 1,890,746	\$ (1,075,638)

13. Due from/to Festival Hydro Services Inc.

Festival Hydro Inc. performs all of the administrative functions for Festival Hydro Services Inc. All expenses and revenue are paid and received through Festival Hydro Inc. according to a service level agreement dated September 1, 2002.

Effective January 1, 2002, Festival Hydro Inc. commenced charging interest on the balance owing from Festival Hydro Services Inc. at an interest rate equivalent to the Royal Bank's prime lending rate. When Festival Hydro Services Inc. is in a deposit position with Festival Hydro Inc., interest is paid at the equivalent of Royal Bank Prime less 1.85%. Net interest paid by Festival Hydro Inc. for the year was \$321 (2002 – (\$6,083)). There are no terms of repayment on the balance owing.

Festival Hydro Inc. and Festival Hydro Services Inc. are both wholly owned by the Corporation of the City of Stratford.

14. Commitments:

(a) Prudential support:

As a purchaser of electricity through the Independent Electricity Market Operator (the "IMO"), Festival Hydro Inc. is required to provide security to minimize the risk of default, based on its expected activity in the market. The IMO may draw on this security if Festival Hydro Inc. fails to make payment required by a default notice issued by the IMO. In April, 2002, to satisfy this requirement, Festival Hydro Inc. provided the IMO with an irrevocable standby letter of credit in the amount of \$3,382,133 which renews automatically on an annual basis. In addition, a treasury bill with a value of \$1,832,932 (2002 - \$2,346,255) is held as collateral in the custody of the IMO.

DRAFT – SEPTEMBER 23, 2004

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2003

14. Commitments (continued):

(b) Operating lease obligations:

As at December 31, 2003, the future minimum annual property lease payments with remaining lease terms of two to three years are as follows:

2004	\$	24,000
2005		22,000
2006		1,000
		\$ 47,000

15. Related party transactions:

During the year and within the normal course of operations, the Company provided water and sewer billing and collection services to the City of Stratford. Revenue earned by the Company was \$378,660 (2002 - \$376,368).

The Company also leases space to the City of Stratford for which it earned revenue in the year of \$30,360 (2002 - \$34,320).

2004 PILS Support

	A	B	C	D	E
1	PILs TAXES - EB-2011-0167				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Festival Hydro Inc			Colour Code	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	366	days		
7	Total days in the calendar year:	366	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Y	
20	shared among the corporate group?	LCT	Y/N	NA	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			31,136,775	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,666,865	
42					
43	1999 return from RUD Sheet #7			681,997	681,997
44					
45	Total Incremental revenue			1,984,868	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			661,623	661,623
48	Amount allowed in 2002			661,623	661,623
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				2,005,243
55					
56	Equity			15,568,388	
57					
58	Return at target ROE			1,538,157	
59					
60	Debt			15,568,388	
61					
62	Deemed interest amount in 100% of MARR			1,128,708	
63					
64	Phase-in of interest - Year 1 (2001)			568,666	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			848,687	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			848,687	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,128,708	check
71					
72					

A	B	C	D	E	F	G	H
1 PILS TAXES - EB-2011-0167	ITEM	Initial Estimate		M of F Filing Variance K-C	M of F Filing Variance Explanation	Tax Returns	
2 PILS DEFERRAL AND VARIANCE ACCOUNTS							
3 TAX CALCULATIONS (TAXCALC)							
4 ("Wires-only" business - see Tab TAXREC)							
5	0					Version 2009.1	
6 Utility Name: Festival Hydro Inc							
7 Reporting period: 2004							
8						Column Brought From	
9 Days in reporting period:	366	days				TAXREC	
10 Total days in the calendar year:	366	days				\$	
11		\$		\$			
12							
13							
14 II) CORPORATE INCOME TAXES							
15							
16 Regulatory Net Income REGINFO E53	1	2,005,243		898,739		2,903,982	
17							
18 BOOK TO TAX ADJUSTMENTS							
19 Additions:							
20 Depreciation & Amortization	2	1,951,722		225,984		2,177,706	
21 Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22 Tax reserves - beginning of year	4			0		0	
23 Reserves from financial statements - end of year	4			1,152,145		1,152,145	
24 Regulatory Adjustments - increase in income	5			0		0	
25 Other Additions (See Tab entitled "TAXREC")							
26 "Material" Items from "TAXREC" worksheet	6	36,651		81,619		118,270	
27 Other Additions (not "Material") "TAXREC"	6			0		0	
28 "Material" Items from "TAXREC 2" worksheet	6			8,379		8,379	
29 Other Additions (not "Material") "TAXREC 2"	6			0		0	
30 Items on which true-up does not apply "TAXREC 3"				6,969		6,969	
31							
32 Deductions: Input positive numbers							
33 Capital Cost Allowance and CEC	7	1,358,147		208,022		1,566,169	
34 Employee Benefit Plans - Paid Amounts	8			0		0	
35 Items Capitalized for Regulatory Purposes	9	0		0		0	
36 Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37 Interest Expense Deemed/ Incurred	11	848,687		299,499		1,148,186	
38 Tax reserves - end of year	4			0		0	
39 Reserves from financial statements - beginning of year	4			1,109,000		1,109,000	
40 Contributions to deferred income plans	3			0		0	
41 Contributions to pension plans	3			0		0	
42 Interest capitalized for accounting but deducted for tax	11			0		0	
43 Other Deductions (See Tab entitled "TAXREC")							
44 "Material" Items from "TAXREC" worksheet	12			115,402		115,402	
45 Other Deductions (not "Material") "TAXREC"	12			0		0	
46 Material Items from "TAXREC 2" worksheet	12			0		0	
47 Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48 Items on which true-up does not apply "TAXREC 3"				137,067		137,067	
49							
50 TAXABLE INCOME/ (LOSS)		1,786,782		504,845	Before loss C/F	2,291,627	
51							
52 BLENDED INCOME TAX RATE							
53 Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.5000%		36.12%	
54							
55 REGULATORY INCOME TAX		690,055		137,680	Actual	827,735	
56							
57							
58 Miscellaneous Tax Credits	14			2,555	Actual	2,555	
59							
60 Total Regulatory Income Tax		690,055		135,125	Actual	825,180	
61							
62							
63 III) CAPITAL TAXES							
64							
65 Ontario							
66 Base	15	31,136,775		12,196,925		43,333,700	
67 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-133,636		4,866,364	
68 Taxable Capital		26,136,775		12,063,289		38,467,336	
69							
70 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71							
72 Ontario Capital Tax		78,410		36,992		115,402	
73							
74 Federal Large Corporations Tax							
75 Base	18	31,136,775		8,066,618		39,203,393	
76 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		37,000,000		47,000,000	
77 Taxable Capital		21,136,775		45,066,618		0	
78							
79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80							
81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		47,558		-47,558		0	
82 Less: Federal Surtax 1.12% x Taxable Income	21	20,012		-20,012		0	
83							
84 Net LCT		27,546		-27,546		0	
85							
86 III) INCLUSION IN RATES							
87							
88 Income Tax Rate used for gross-up (exclude surtax)		37.50%					
89							
90 Income Tax (proxy tax is grossed-up)	22	1,104,088			Actual 2004	869,361	
91 LCT (proxy tax is grossed-up)	23	44,073			Actual 2004	0	
92 Ontario Capital Tax (no gross-up since it is deductible)	24	78,410			Actual 2004	115,402	
93							
94							
95 Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION	25	1,226,572			Actual 2004	984,763	
96							
97							
98							
99 IV) FUTURE TRUE-UPS							
100 IV a) Calculation of the True-up Variance				DR/(CR)			
101 In Additions:							
102 Employee Benefit Plans - Accrued, Not Paid	3			0			
103 Tax reserves deducted in prior year	4			0			
104 Reserves from financial statements-end of year	4			1,152,145			
105 Regulatory Adjustments	5			0			
106 Other additions "Material" Items TAXREC	6			81,619			
107 Other additions "Material" Items TAXREC 2	6			8,379			
108 In Deductions - positive numbers							
109 Employee Benefit Plans - Paid Amounts	8			0			
110 Items Capitalized for Regulatory Purposes	9			0			
111 Regulatory Adjustments	10			0			
112 Interest Adjustment for tax purposes (See Below - cell I206)	11			19,478			
113 Tax reserves claimed in current year	4			0			
114 Reserves from F/S beginning of year	4			1,109,000			
115 Contributions to deferred income plans	3			0			
116 Contributions to pension plans	3			0			
117 Other deductions "Material" Items TAXREC	12			115,402			
118 Other deductions "Material" Item TAXREC 2	12			0			
119							
120 Total TRUE-UPS before tax effect	26		=	-1,737			

A	B	C	D	E	F	G	H
1 PILS TAXES - EB-2011-0167	ITEM	Initial Estimate		M of F Filing	M of F Filing	Tax Returns	
2 PILS DEFERRAL AND VARIANCE ACCOUNTS				Variance	Variance		
3 TAX CALCULATIONS (TAXCALC)				K-C	Explanation		
4 ("Wires-only" business - see Tab TAXREC)						Version 2009.1	
5	0						
6 Utility Name: Festival Hydro Inc							
7 Reporting period: 2004							
8						Column Brought From	
9 Days in reporting period:	366	days					
10 Total days in the calendar year:	366	days				TAXREC	
11						\$	
12		\$		\$			
13							
121							
122 Income Tax Rate (excluding surtax) from 2004 Utility's tax return			x	36.12%			
123							
124 Income Tax Effect on True-up adjustments			=	-627			
125							
126 Less: Miscellaneous Tax Credits	14			2,555			
127							
128 Total Income Tax on True-ups				-3,182			
129							
130 Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131							
132 TRUE-UP VARIANCE ADJUSTMENT				(4,896)			
133							
134 IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135							
136 REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,786,782			
137							
138 REVISED CORPORATE INCOME TAX RATE			x	36.12%			
139							
140 REVISED REGULATORY INCOME TAX			=	645,386			
141							
142 Less: Revised Miscellaneous Tax Credits			-	2,555			
143							
144 Total Revised Regulatory Income Tax			=	642,831			
145							
146 Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	690,055			
147							
148 Regulatory Income Tax Variance			=	(47,225)			
149							
150 Ontario Capital Tax							
151 Base			=	31,136,775			
152 Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153 Revised deemed taxable capital			=	26,136,775			
154							
155 Rate - Tab Tax Rates cell C54			x	0.3000%			
156							
157 Revised Ontario Capital Tax			=	78,410			
158 Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	78,410			
159 Regulatory Ontario Capital Tax Variance			=	0			
160							
161 Federal LCT							
162 Base			=	31,136,775			
163 Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164 Revised Federal LCT			=	(18,863,225)			
165							
166 Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167							
168 Gross Amount				0			
169 Less: Federal surtax			-	0			
170 Revised Net LCT			=	0			
171							
172 Less: Federal LCT reported in the initial estimate column (Cell C82)			-	27,546			
173 Regulatory Federal LCT Variance			=	(27,546)			
174							
175 Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176							
177 Income Tax (grossed-up)			+	(72,653)			
178 LCT (grossed-up)			+	(42,378)			
179 Ontario Capital Tax			+	0			
180							
181 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(115,031)			
182							
183 TRUE-UP VARIANCE (from cell I132)			+	(4,896)			
184							
185 Total Deferral Account Entry (Positive Entry = Debit)			=	(119,927)			
186 (Deferral Account Variance + True-up Variance)							
187							
188							
189							
190 V) INTEREST PORTION OF TRUE-UP							
191 Variance Caused By Phase-in of Deemed Debt							
192							
193 Total deemed interest (REGINFO)				1,128,708			
194 Interest phased-in (Cell C36)				848,687			
195							
196 Variance due to phase-in of debt component of MARR in rates according to the Board's decision				280,021			
197							
198							
199 Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)							
200							
201 Actual Interest deducted on MoF filing (Cell K36+K41)				1,148,186			
202 Deemed Interest				1,128,708			
203							
204 Variance caused by excess debt				19,478			
205							
206 Interest Adjustment for Tax Purposes (carry forward to Cell I112)				19,478			
207							
208 Total Interest Variance				260,543			
209							
210							
211							

	A	B	C	D	E	F
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
6	Section A: Identification:					
7	Utility Name: Festival Hydro Inc					
8	Reporting period: 2004					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		366	days		
12						
13	Please enter the Materiality Level :		0	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N				
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N	Y			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	Income:					
31	Energy Sales	+	42,595,265		42,595,265	
32	Distribution Revenue	+	7,798,380		7,798,380	
33	Other Income	+	431,053		431,053	
34	Miscellaneous income	+	147,977	122,318	25,659	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	42,595,266		42,595,266	
40	Administration	-	1,085,470		1,085,470	
41	Customer billing and collecting	-	925,643		925,643	
42	Operations and maintenance	-	1,044,020		1,044,020	
43	Amortization	-	2,177,706		2,177,706	
44	Ontario Capital Tax	-	118,270		118,270	
45	Other Interest Expense (Customer Deposits/IESO LC) check	-	0		0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	3,026,300	122,318	2,903,982	
51	Less: Interest expense for accounting purposes	-	1,148,186		1,148,186	
52	Provision for payments in lieu of income taxes	-	657,000		657,000	
53	Net Income (loss)	=	1,221,114	122,318	1,098,796	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	657,000	0	657,000	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	2,177,706	0	2,177,706	
62	Employee benefit plans-accrued, not paid	+	0	0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	1,152,145	0	1,152,145	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"		6,969	0	6,969	
67	Material addition items from TAXREC 2	+	8,379	0	8,379	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		4,002,199	0	4,002,199	
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital tax expensed	+	118,270		118,270	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	118,270	0	118,270	
81						
82	Total Additions	=	4,120,469	0	4,120,469	
83						
84	Recap Material Additions:					
85			0	0	0	

	A	B	C	D	E	F
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
86			0	0	0	
87	Capital tax expensed		118,270	0	118,270	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		118,270	0	118,270	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		118,270	0	118,270	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,553,509		1,553,509	
98	Cumulative eligible capital deduction	-	12,660		12,660	
99	Employee benefit plans-paid amounts check	-	0		0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	1,109,000	0	1,109,000	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"		137,067	0	137,067	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	2,812,236	0	2,812,236	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117	Capital tx paid per CT23	-	115,402		115,402	
118					0	
119		-			0	
120	Total Other Deductions	=	115,402	0	115,402	
121						
122	Total Deductions	=	2,927,638	0	2,927,638	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127	Capital tx paid per CT23		115,402	0	115,402	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		115,402	0	115,402	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		115,402	0	115,402	
133						
134	TAXABLE INCOME	=	2,413,945	122,318	2,291,627	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	2,413,945	122,318	2,291,627	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	533,964	27,057	506,907	
143	Net Ontario Income Tax (Must agree with tax return)	+	337,952	17,125	320,827	
144	Subtotal	=	871,916	44,181	827,735	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	2,555		2,555	
146	Total Income Tax	=	869,361	44,181	825,180	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	
151	Blended Income Tax Rate		36.12%		36.12%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	869,361	44,181	825,180	
157	Ontario Capital Tax	+	115,402		115,402	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	984,763	44,181	940,582	
161						

	A	B	C	D	E	F
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Festival Hydro Inc					
8	Reporting period: 2004					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Liability for Employee Future Benefits		1,109,000		1,109,000	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		1,109,000	0	1,109,000	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Liability for Employee Future Benefits		1,152,145		1,152,145	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		1,152,145	0	1,152,145	
64						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Festival Hydro Inc					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+	5,350		5,350	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22	Non deductible meals	+	3,029		3,029	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37	Section 12(1)(a) income - customer deposits check	+	0		0	
38		+			0	
39		+			0	
40	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	8,379	0	8,379	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51	#REF!		5,350	0	5,350	
52			0	0	0	
53			0	0	0	
54	Charitable donations (Only if it benefits ratepayers)		3,029	0	3,029	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Festival Hydro Inc					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		0			
12						
13						
76			0	0	0	
77	Total Material additions		8,379	0	8,379	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		8,379	0	8,379	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-	0		0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97	Section 12(1)(m) income - customer deposits	-	0		0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
8	Utility Name: Festival Hydro Inc				Version 2009.1	
9						
10						
11	Reporting period: 2004					
12	Number of days in taxation year:		366			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	4,414		4,414	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory - end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Ontario capital tax adjustments				0	
39		+			0	
40	Changes in Regulatory Asset balances	+			0	
41		+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Ontario Specified Tax Credits	+	2,555		2,555	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	6,969	0	6,969	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-	137,067		137,067	
57	Donations - amount deductible for tax purposes	-	0		0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	Ontario capital tax adjustments to current or prior year	-			0	
61		-			0	
62	Changes in Regulatory Asset balances	-			0	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	137,067	0	137,067	
74						
75						

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2011-0167						
2	Corporate Tax Rates			Version 2009.1			
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Festival Hydro Inc						
5	Reporting period: 2004						
6							
7	Table 1						
8	Rates Used in 2002 RAM PILs Applications for 2002						
9	Income Range		0		200,001		
10	RAM 2002		to		to		>700000
11		Year	200,000		700,000		
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%		26.12%
15	and Ontario blended		6.00%		6.00%		12.50%
16	Blended rate		19.12%		34.12%		38.62%
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
24							
25	Table 2						
26	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004						
27	Income Range		0	250,001	400,001		
28	Expected Rates		to	to	to		>1,128,000
29		Year	250,000	400,000	1,128,000		
30	Income Tax Rate						
31	Current year	2004					
32	Federal (Includes surtax)	2004	13.12%	22.12%	22.12%		22.12%
33	Ontario	2004	5.50%	5.50%	9.75%		14.00%
34	Blended rate	2004	18.62%	27.62%	31.87%		36.12%
35							
36	Capital Tax Rate	2004	0.300%				
37	LCT rate	2004	0.200%				
38	Surtax	2004	1.12%				
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000				
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.						
42							
43	Table 3						
44	Input Information from Utility's Actual 2004 Tax Returns						
45	Income Range		0	250,001	400,001		
46			to	to	to		>1,128,000
47		Year	250,000	400,000	1,128,000		
48	Income Tax Rate						
49	Current year	2004					
50	Federal (Includes surtax)		13.12%	22.12%	22.29%		22.12%
51	Ontario		5.50%	5.50%	13.77%		14.00%
52	Blended rate		18.62%	27.62%	36.06%		36.12%
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.200%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,866,364				
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	47,000,000				
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36						
60							

[illegible]

SHEET 7 - Calculating Rate Increases using 2002 LDC Data and the 2004 PILs Proxy

NAME OF UTILITY	FESTIVAL HYDRO INC. Co	application Rate	LICENCE NUMBER	EB-2004-0032
NAME OF CONTACT	Debbie Reece		PHONE NUMBER	519-271-4700
E- Mail Address	dreece@festivalhydro.com			
VERSION NUMBER	2			
Date	1-Mar-04			

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate the 2004 PILs proxy amount.
The PILS proxy amount is the same amount used for the PILs proxy in 2002.

The 2004 PILs Proxy will be allocated to the customer classes on the basis of distribution revenue.

Enter the 2002 PILs proxy amount as approved by the OEB in 2002 and shown on your 2002 RAM model at Sheet 8.

\$ 1,196,374.00

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2004 PILs Proxy Allocations
RESIDENTIAL CLASS	-	132,815,003	14,718	\$3,908,883.98	50.68%	\$ 709,418.73
GENERAL SERVICE <50 KW CLASS	-	71,517,111	2,012	\$1,414,823.37	18.34%	\$ 231,791.20
GENERAL SERVICE >50 KW	850,185	342,271,671	209	\$1,874,430.65	24.30%	\$ 188,320.85
GENERAL SERVICE >50 KW TOU CUSTOMER 1	38,916	18,317,205	1	\$160,334.63	2.08%	\$ 23,953.52
GENERAL SERVICE >50 KW TOU CUSTOMER 2	25,507	1,763,382	1	\$129,631.38	1.68%	\$ 29,683.89
LARGE USER CLASS	86,687	46,544,036	1	\$182,706.18	2.37%	\$ 5,622.78
SENTINEL LIGHTS	536	192,912	419	\$3,842.97	0.05%	\$ 965.75
STREET LIGHTING CLASS	10,477	3,771,712	5,455	\$37,695.84	0.49%	\$ 6,617.29
TOTALS		617,193,032	22,816	\$7,712,349.00	1.00	\$ 1,196,374.00
		Allocated Total for additional interim amounts ==>				\$ 1,196,374.00

Residential Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G22 above)	\$ 709,418.73	\$ -	\$ 709,418.73
(B) RETAIL kWh in 2002	132,815,003		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.005341		

General Service <50kW Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G23 above)	\$ 231,791.20	\$ -	\$ 231,791.20

(B) RETAIL kWh in 2002 71,517,111

(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) \$0.003241
(this amount is added to the kWh rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

General Service >50kw

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G24 above)	\$ 188,320.85	\$ -	\$ 188,320.85

(B) RETAIL KW in 2002 850,185

(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) \$0.221506
(this amount is added to the kW rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

General Service >50kW TOU CUSTOMER 1

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G25 above)	\$ 23,953.52	\$ -	\$ 23,953.52

(B) RETAIL KW in 2002 38,916

(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) \$0.615519
(this amount is added to the kW rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

General Service >50kW TOU CUSTOMER 2

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G26 above)	\$ 29,683.89	\$ -	\$ 29,683.89

(B) RETAIL KW in 2002 25,507

(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) \$1.163755
(this amount is added to the kW rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

Large User Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G27 above)	\$ 5,622.78	\$ -	\$ 5,622.78
(B) RETAIL KW in 2002	86,687		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.064863		

Sentinel Lighting Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G28 above)	\$ 965.75	\$ -	\$ 965.75
(B) RETAIL KW in 2002	536		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$1.801770		

Streetlighting Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G29 above)	\$ 6,617.29	\$ -	\$ 6,617.29
(B) RETAIL KW in 2002	10,477		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.631601		

SHEET 7 - Calculating Rate Increases using 2002 LDC Data and the 2004 PILs Proxy

NAME OF UTILITY	FESTIVAL HYDRO INC. Hensall Residential	LICENCE NUMBER	EB-2004-0032
NAME OF CONTACT	Debbie Reece	PHONE NUMBER	519-271-4700
E- Mail Address	dreece@festivalhydro.com		
VERSION NUMBER	2		
Date	1-Mar-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate the 2004 PILs proxy amount.
The PILS proxy amount is the same amount used for the PILs proxy in 2002.

The 2004 PILs Proxy will be allocated to the customer classes on the basis of distribution revenue.

Enter the 2002 PILs proxy amount as approved by the OEB in 2002 and shown on your 2002 RAM model at Sheet 8. \$ 6,155.00

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2004 PILs Proxy Allocations
RESIDENTIAL CLASS	-	4,425,148	408	\$59,279.69	100.0%	\$ 6,155.00
GENERAL SERVICE <50 KW CLASS	-	0	0	\$0.00	0.0%	\$ -
GENERAL SERVICE >50 KW NON TIME OF USE	0	0	0	\$0.00	0.0%	\$ -
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	\$0.00	0.0%	\$ -
INTERMEDIATE USE	0	0	0	\$0.00	0.0%	\$ -
LARGE USER CLASS	0	0	0	\$0.00	0.0%	\$ -
SENTINEL LIGHTS	0	0	0	\$0.00	0.0%	\$ -
STREET LIGHTING CLASS	0	0	0	\$0.00	0.0%	\$ -
TOTALS		4,425,148	408	\$59,279.69	1.00	\$ 6,155.00
Allocated Total for additional interim amounts ==>						\$ 6,155.00

Residential Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G22 above)	\$ 6,155.00	\$ -	\$ 6,155.00
(B) RETAIL kWh in 2002	4,425,148		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.001391		

SHEET 7 - Calculating Rate Increases using 2002 LDC Data and the 2004 PILs Proxy

NAME OF UTILITY	FESTIVAL HYDRO INC. Seaforth Residential	LICENCE NUMBER	EB-2004-0032
NAME OF CONTACT	Debbie Reece	PHONE NUMBER	519-271-4700
E- Mail Address	dreece@festivalhydro.com		
VERSION NUMBER	2		
Date	1-Mar-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate the 2004 PILs proxy amount.
The PILS proxy amount is the same amount used for the PILs proxy in 2002.

The 2004 PILs Proxy will be allocated to the customer classes on the basis of distribution revenue.

Enter the 2002 PILs proxy amount as approved by the OEB in 2002 and shown on your 2002 RAM model at Sheet 8.

\$ 24,043.00

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2004 PILs Proxy Allocations
RESIDENTIAL CLASS	-	8,045,508	938	\$265,359.87	100.0%	\$ 24,043.00
GENERAL SERVICE <50 KW CLASS	-	0	0	\$0.00	0.0%	\$ -
GENERAL SERVICE >50 KW NON TIME OF USE	0	0	0	\$0.00	0.0%	\$ -
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	\$0.00	0.0%	\$ -
INTERMEDIATE USE	0	0	0	\$0.00	0.0%	\$ -
LARGE USER CLASS	0	0	0	\$0.00	0.0%	\$ -
SENTINEL LIGHTS	0	0	0	\$0.00	0.0%	\$ -
STREET LIGHTING CLASS	0	0	0	\$0.00	0.0%	\$ -
TOTALS		8,045,508	938	\$265,359.87	1.00	\$ 24,043.00
Allocated Total for additional interim amounts ==>						\$ 24,043.00

Residential Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G22 above)	\$ 24,043.00	\$ -	\$ 24,043.00
(B) RETAIL kWh in 2002	8,045,508		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.002988		

	A	B	C	D	E
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"				Version 2004.2
2	REGULATORY INFORMATION (REGINFO)				RRR # 2.1.8
3	Utility Name: Festival Hydro Inc				
4	Reporting period: January 1, 2004 to December 31, 2004				
5					
6	Days in reporting period:	366	days		
7	Total days in the calendar year:	366	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Y	
20	shared among the corporate group?	LCT	Y/N	Y	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			31,136,775	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,666,865	
42					
43	1999 return from RUD Sheet #7			681,997	681,997
44					
45	Total Incremental revenue			1,984,868	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			661,623	661,623
48	Amount allowed in 2002			661,623	661,623
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)				0
51					0
52					0
53	Total Regulatory Income				2,005,243
54					
55	Equity			15,568,388	
56					
57	Return at target ROE			1,538,157	
58					
59	Debt			15,568,388	
60					
61	Deemed interest amount in 100% of MARR			1,128,708	
62					
63	Phase-in of interest - Year 1 (2001)			568,666	
64	((D43+D47)/D41)*D61				
65	Phase-in of interest - Year 2 (2002)			848,687	
66	((D43+D47+D48)/D41)*D61				
67	Phase-in of interest - Year 3 (2003) and forward			848,687	
68	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
69					
70					
71					

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8										Version 2004.2	
6			\$						\$		\$	
7	Utility Name: Festival Hydro Inc											
8	Reporting period: January 1, 2004 to December 31, 2004											Column
9	Days in reporting period:	366	days									Brought
10	Total days in the calendar year:	366	days									From
11												TAXREC
12												
13	<u>I) CORPORATE INCOME TAXES</u>											
14												
15	Regulatory Net Income REGINFO E53	1	2,005,243						898,739		2,903,982	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions:											
20	Depreciation & Amortization	2	1,951,722						225,984		2,177,706	
21	Employee Benefit Plans - Accrued, Not Paid	3							0		0	
22	Tax reserves - beginning of year	4							0		0	
23	Reserves from financial statements - end of year	4							1,152,145		1,152,145	
24	Regulatory Adjustments - increase in income	5							0		0	
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Items from "TAXREC" worksheet	6	36,651						-36,651		0	
27	Other Additions (not "Material") "TAXREC"	6							8,452		8,452	
28	"Material Items from "TAXREC 2" worksheet	6							0		0	
29	Other Additions (not "Material") "TAXREC 2"	6							9,764		9,764	
30												
31	Deductions: Input positive numbers											
32	Capital Cost Allowance and CEC	7	1,358,147						208,022		1,566,169	
33	Employee Benefit Plans - Paid Amounts	8	0						0		0	
34	Items Capitalized for Regulatory Purposes	9	0						0		0	
35	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0						0		0	
36	Interest Expense Deemed/ Incurred	11	848,687						299,499		1,148,186	
37	Tax reserves - end of year	4							0		0	
38	Reserves from financial statements - beginning of year	4							1,109,000		1,109,000	
39	Contributions to deferred income plans	3							0		0	
40	Contributions to pension plans	3							0		0	
41	Interest capitalized for accounting but deducted for tax	11							0		0	
42	Other Deductions (See Tab entitled "TAXREC")											
43	"Material" Items from "TAXREC" worksheet	12							137,067		137,067	
44	Other Deductions (not "Material") "TAXREC"	12							0		0	
45	Material Items from "TAXREC 2" worksheet	12							0		0	
46	Other Deductions (not "Material") "TAXREC 2"	12							0		0	
47												
48	TAXABLE INCOME/ (LOSS)		1,786,782						4,012,021	Before loss C/F	2,291,627	
49												
50	BLENDED INCOME TAX RATE											
51	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%						-2.6100%		36.01%	
52												
53	REGULATORY INCOME TAX		690,055						179,306	Actual	869,361	
54												
55												
56	Miscellaneous Tax Credits	14							0	Actual	0	
57												
58	Total Regulatory Income Tax		690,055						179,306	Actual	869,361	
59												
60												
61	<u>II) CAPITAL TAXES</u>											
62												
63	Ontario											
64	Base	15	31,136,775						12,196,925		43,333,700	
65	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000						-133,636		4,866,364	
66	Taxable Capital		26,136,775						12,063,289		38,467,336	
67												
68	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%						0.0000%		0.3000%	
69												
70	Ontario Capital Tax		78,410						36,992		115,402	
71												
72	Federal Large Corporations Tax											
73	Base	18	31,136,775						8,066,588		39,203,363	
74	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000						37,000,000		47,000,000	
75	Taxable Capital		21,136,775						45,066,588		0	
76												
77	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%						-0.0250%		0.2000%	
78												
79	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		47,558						-47,558		0	
80	Less: Federal Surtax 1.12% x Taxable Income	21	20,012						-20,012		0	
81												
82	Net LCT		27,546						-67,570		0	
83												

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8										Version 2004.2	
6			\$						\$		\$	
84	III) INCLUSION IN RATES											
85												
86	Income Tax Rate used for gross- up (exclude surtax)		37.50%									
87												
88	Income Tax (proxy tax is grossed-up)	22	1,104,088							Actual 2004	869,361	
89	LCT (proxy tax is grossed-up)	23	44,073							Actual 2004	0	
90	Ontario Capital Tax (no gross-up since it is deductible)	24	78,410							Actual 2004	115,402	
91												
92												
93	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	1,226,572							Actual 2004	984,763	
94	RAM DECISION											
95												
96												
97	IV) FUTURE TRUE-UPS											
98	IV a) Calculation of the True-up Variance								DR/(CR)			
99	In Additions:											
100	Employee Benefit Plans - Accrued, Not Paid	3							0			
101	Tax reserves deducted in prior year	4							0			
102	Reserves from financial statements-end of year	4							1,152,145			
103	Regulatory Adjustments	5							0			
104	Other additions "Material" Items TAXREC	6							-36,651			
105	Other additions "Material" Items TAXREC 2	6							0			
106	In Deductions - positive numbers											
107	Employee Benefit Plans - Paid Amounts	8							0			
108	Items Capitalized for Regulatory Purposes	9							0			
109	Regulatory Adjustments	10							0			
110	Interest Adjustment for tax purposes (See Below - cell I204)	11							19,478			
111	Tax reserves claimed in current year	4							0			
112	Reserves from F/S beginning of year	4							1,109,000			
113	Contributions to deferred income plans	3							0			
114	Contributions to pension plans	3							0			
115	Other deductions "Material" Items TAXREC	12							137,067			
116	Other deductions "Material" Item TAXREC 2	12							0			
117												
118	Total TRUE-UPS before tax effect	26						=	-150,051			
119												
120	Income Tax Rate (excluding surtax) from 2004 Utility's tax return							x	35.00%			
121												
122	Income Tax Effect on True-up adjustments							=	-52,518			
123												
124	Less: Miscellaneous Tax Credits	14							0			
125												
126	Total Income Tax on True-ups								-52,518			
127												
128	Income Tax Rate used for gross-up (exclude surtax)								35.00%			
129												
130	TRUE-UP VARIANCE ADJUSTMENT								(80,797)			
131												
132	IV b) Calculation of the Deferral Account Variance caused by changes in legislation											
133												
134	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	1,786,782			
135												
136	REVISED CORPORATE INCOME TAX RATE							x	36.12%			
137												
138	REVISED REGULATORY INCOME TAX							=	645,386			
139												
140	Less: Revised Miscellaneous Tax Credits							-	0			
141												
142	Total Revised Regulatory Income Tax							=	645,386			
143												
144	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	690,055			
145												
146	Regulatory Income Tax Variance							=	(44,670)			
147												
148	Ontario Capital Tax											
149	Base							=	31,136,775			
150	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	5,000,000			
151	Revised deemed taxable capital							=	26,136,775			
152												
153	Rate - Tab Tax Rates cell C54							x	0.3000%			
154												
155	Revised Ontario Capital Tax							=	78,410			
156	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)							-	78,410			
157	Regulatory Ontario Capital Tax Variance							=	0			
158												
159	Federal LCT											
160	Base							=	31,136,775			
161	Less: Exemption from tab Tax Rates, Table 2, cell C40							-	50,000,000			
162	Revised Federal LCT							=	(18,863,225)			
163												

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8										Version 2004.2	
6			\$						\$		\$	
164	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51								0.2000%			
165												
166	Gross Amount								0			
167	Less: Federal surtax							-	0			
168	Revised Net LCT							=	0			
169												
170	Less: Federal LCT reported in the initial estimate column (Cell C82)							-	27,546			
171	Regulatory Federal LCT Variance							=	(27,546)			
172												
173	Actual Income Tax Rate used for gross-up (exclude surtax)								35.00%			
174												
175	Income Tax (grossed-up)							+	(68,722)			
176	LCT (grossed-up)							+	(42,378)			
177	Ontario Capital Tax							+	0			
178												
179	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT							=	(111,101)			
180												
181	TRUE-UP VARIANCE (from cell I130)							+	(80,797)			
182												
183	Total Deferral Account Entry (Positive Entry = Debit)							=	(191,897)			
184	(Deferral Account Variance + True-up Variance)											
185												
186												
187												
188	V) INTEREST PORTION OF TRUE-UP											
189	Variance Caused By Phase-in of Deemed Debt											
190												
191	Total deemed interest (REGINFO)								1,128,708			
192	Interest phased-in (Cell C36)								848,687			
193												
194	Variance due to phase-in of debt component of MARR in rates								280,021			
195	according to the Board's decision											
196												
197	Other Interest Variances (i.e. Borrowing Levels											
198	Above Deemed Debt per Rate Handbook)											
199	Interest deducted on MoF filing (Cell K36+K41)								1,148,186			
200	Total deemed interest (REGINFO CELL D61)								1,128,708			
201												
202	Variance caused by excess debt								19,478			
203												
204	Interest Adjustment for Tax Purposes (carry forward to Cell I110)								19,478			
205												
206	Total Interest Variance								260,543			
207												

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.2	
6	Section A: Identification:					
7	Utility Name: Festival Hydro Inc					
8	Reporting period: January 1, 2004 to December 31, 2004					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		366	days		
12						
13	Please enter the Materiality Level :		38,921	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N				
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N	Y			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	Income:					
31	Energy Sales	+	42,595,265		42,595,265	
32	Distribution Revenue	+	7,798,380		7,798,380	
33	Other Income	+	431,053		431,053	
34	Miscellaneous income	+	147,977	122,318	25,659	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	42,595,266		42,595,266	
40	Administration	-	1,085,470		1,085,470	
41	Customer billing and collecting	-	925,643		925,643	
42	Operations and maintenance	-	1,044,020		1,044,020	
43	Amortization	-	2,177,706		2,177,706	
44	Ontario Capital Tax	-	118,270		118,270	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	3,026,300	122,318	2,903,982	
51	Less: Interest expense for accounting purposes	-	1,148,186		1,148,186	
52	Provision for payments in lieu of income taxes	-	657,000		657,000	
53	Net Income (loss)	=	1,221,114	122,318	1,098,796	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	657,000	0	657,000	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	2,177,706	0	2,177,706	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	1,152,145	0	1,152,145	
65	Regulatory adjustments	+			0	
66	Material addition items from TAXREC 2	+	0	0	0	
67	Other addition items (not Material) from TAXREC 2	+	9,764	0	9,764	
68						
69	Subtotal		3,996,615	0	3,996,615	
70						
71	Other Additions: (Please explain the nature of the additions)					
72	Recapture of CCA	+			0	
73	Non-deductible meals and entertainment expense	+	3,029		3,029	
74	Excess of Capital tax expensed (118,270) vs. cap taxes paid (115,402)	+	2,868		2,868	
75	Ontario Specified Tax Credits	+	2,555		2,555	
76		+			0	
77		+			0	
78		+			0	
79	Total Other Additions	=	8,452	0	8,452	
80						
81	Total Additions	=	4,005,067	0	4,005,067	
82						
83	Recap Material Additions:					
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91	Total Other additions >materiality level		0	0	0	
92	Other deductions (less than materiality level)		8,452	0	8,452	
93	Total Other Additions		8,452	0	8,452	
94						

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.2	
95	BOOK TO TAX DEDUCTIONS:					
96	Capital cost allowance	-	1,553,509		1,553,509	
97	Cumulative eligible capital deduction	-	12,660		12,660	
98	Employee benefit plans-paid amounts	-			0	
99	Items capitalized for regulatory purposes	-			0	
100	Regulatory adjustments :	-			0	
101	CCA	-			0	
102	other deductions	-			0	
103	Tax reserves - end of year	-	0	0	0	
104	Reserves from financial statements- beginning of year	-	1,109,000	0	1,109,000	
105	Contributions to deferred income plans	-			0	
106	Contributions to pension plans	-			0	
107	Interest capitalized for accounting deducted for tax	-			0	
108	Material deduction items from TAXREC 2	-	0	0	0	
109	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
110						
111	Subtotal	=	2,675,169	0	2,675,169	
112	Other deductions (Please explain the nature of the deductions)					
113	Charitable donations - tax basis	-			0	
114	Gain on disposal of assets	-			0	
115	Allowance for regulatory asset interest	-	137,067		137,067	
116	Capital taxes paid	-			0	
117		-			0	
118	Total Other Deductions	=	137,067	0	137,067	
119						
120	Total Deductions	=	2,812,236	0	2,812,236	
121						
122	Recap Material Deductions:					
123			0	0	0	
124			0	0	0	
125	Allowance for regulatory asset interest		137,067	0	137,067	
126	Capital tax paid		0	0	0	
127			0	0	0	
128	Total Other Deductions exceed materiality level		137,067	0	137,067	
129	Other Deductions less than materiality level		0	0	0	
130	Total Other Deductions		137,067	0	137,067	
131						
132	TAXABLE INCOME	=	2,413,945	122,318	2,291,627	
133	DEDUCT:					
134	Non-capital loss applied positive number	-			0	
135	Net capital loss applied positive number	-			0	
136					0	
137	NET TAXABLE INCOME	=	2,413,945	122,318	2,291,627	
138						
139	FROM ACTUAL TAX RETURNS					
140	Net Federal Income Tax (Must agree with tax return)	+	533,964		533,964	
141	Net Ontario Income Tax (Must agree with tax return)	+	335,397		335,397	
142	Subtotal	=	869,361	0	869,361	
143	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
144	Total Income Tax	=	869,361	0	869,361	
145						
146	FROM ACTUAL TAX RETURNS					
147	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	
148	Net Ontario Income Tax Rate (Must agree with tax return)		13.89%		13.89%	
149	Blended Income Tax Rate		36.01%		36.01%	
150						
151	Section D: Detailed calculation of Ontario Capital Tax					
152						
153	ONTARIO CAPITAL TAX					
154	(From Ontario CT23)					
155	PAID-UP CAPITAL					
156						
157	Paid-up capital stock	+	19,637,111		19,637,111	
158	Retained earnings (if deficit, deduct)	+/-	2,790,089		2,790,089	
159	Capital and other surplus excluding	+			0	
160	appraisal surplus	+			0	
161	Loans and advances	+	17,234,366		17,234,366	
162	Bank loans	+			0	
163	Bankers acceptances	+			0	
164	Bonds and debentures payable	+			0	
165	Mortgages payable	+			0	
166	Lien notes payable	+			0	
167	Deferred credits	+	-1,683,000		-1,683,000	
168	Contingent, investment, inventory and similar reserves	+			0	
169	Other reserves not allowed as deductions	+	1,224,827		1,224,827	
170	Share of partnership(s), joint venture(s) paid-up capital	+			0	
171	Sub-total	=	39,203,393	0	39,203,393	
172	Subtract:					
173	Amounts deducted for income tax purposes in excess of amounts booked	-	-4,130,307		-4,130,307	
174	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
175	Total (Net) Paid-up Capital	=	43,333,700	0	43,333,700	
176						
177	ELIGIBLE INVESTMENTS					
178						
179	Bonds, lien notes, interest coupons	+			0	
180	Mortgages due from other corporations	+			0	
181	Shares in other corporations	+			0	
182	Loans and advances to unrelated corporations	+			0	
183	Eligible loans and advances to related corporations	+			0	
184	Share of partnership(s) or joint venture(s) eligible investments	+			0	
185						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.2	
186	Total Eligible Investments	=	0	0	0	
187						

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.2	
188						
189	TOTAL ASSETS					
190						
191	Total assets per balance sheet	+	46,777,120		46,777,120	
192	Mortgages or other liabilities deducted from assets	+			0	
193	Share of partnership(s)/ joint venture(s) total assets	+			0	
194	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
195						
196	Total assets as adjusted	=	46,777,120	0	46,777,120	
197						
198	Add: (if deducted from assets)					
199	Contingent, investment, inventory and similar reserves	+			0	
200	Other reserves not allowed as deductions	+			0	
201	Subtract:				0	
202	Amounts deducted for income tax purposes in excess of amounts booked	-	-4,130,307		-4,130,307	
203	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
204	Subtract: Appraisal surplus if booked	-			0	
205	Add or subtract: Other adjustments	+/-			0	
206						
207	Total Assets	=	50,907,427	0	50,907,427	
208						
209						
210	Investment Allowance		0	0	0	
211						
212	Taxable Capital					
213						
214	Net paid-up capital	+	43,333,700	0	43,333,700	
215	Subtract: Investment Allowance	-	0	0	0	
216						
217	Taxable Capital	=	43,333,700	0	43,333,700	
218						
219	Capital Tax Calculation					
220	Deduction from taxable capital up to maximum of \$5,000,000		4,866,364	0	4,866,364	
221	(Input in tab Tax Rates)					
222	Net Taxable Capital		38,467,336	0	38,467,336	
223						
224	Rate		0.3000%	0.3000%	0.3000%	
225						
226	Days in taxation year		366	366	366	
227	Divide days by 366		1.00	1.00	1.00	
228						
229	Ontario Capital Tax (Must agree with CT23 return)		115,402	0	115,402	
230						
231	Section E: Detailed calculation of Large Corporation Tax					
232						
233	LARGE CORPORATION TAX					
234	(From Federal Schedule 33)					
235	CAPITAL					
236	ADD:					
237	Reserves that have not been deducted in computing income for the year under Part I	+	1,224,827		1,224,827	
238	Capital stock	+	19,637,111		19,637,111	
239	Retained earnings	+	2,790,089		2,790,089	
240	Contributed surplus	+			0	
241	Any other surpluses	+			0	
242	Deferred unrealized foreign exchange gains	+			0	
243	All loans and advances to the corporation	+	17,234,336		17,234,336	
244	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			0	
245	Any dividends declared but not paid	+			0	
246	All other indebtedness outstanding for more than 365 days	+			0	
247						
248	Subtotal	=	40,886,363	0	40,886,363	
249						
250	DEDUCT:					
251	Deferred tax debit balance	-	1,683,000		1,683,000	
252	Any deficit deducted in computing shareholders' equity	-			0	
253	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
254	Deferred unrealized foreign exchange losses	-			0	
255						
256	Subtotal	=	1,683,000	0	1,683,000	
257						
258	Capital for the year		39,203,363	0	39,203,363	
259						

	A	B	C	D	E	F
1	SECTION 93 PILS TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.2	
260	INVESTMENT ALLOWANCE					
261						
262	Shares in another corporation	+			0	
263	Loan or advance to another corporation	+			0	
264	Bond, debenture, note, mortgage, or	+			0	
265	similar obligation of another corporation	+			0	
266	Long term debt of financial institution	+			0	
267	Dividend receivable from another corporation	+			0	
268	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
269	Interest in a partnership	+			0	
270						
271	Investment Allowance	=	0	0	0	
272						
273						
274	TAXABLE CAPITAL					
275						
276	Capital for the year	=	39,203,363	0	39,203,363	
277						
278	Deduct: Investment allowance	-	0	0	0	
279						
280	Taxable Capital for taxation year	=	39,203,363	0	39,203,363	
281						
282	Deduct: Capital Deduction - maximum of \$50,000,000 (Input in tab "Tax Rates")	-	47,000,000	0	47,000,000	
283						
284	Taxable Capital	=	0	0	0	
285						
286	Rate 0.225% in 2002 and 2003; 0.200% in 2004		0.20000%	0.20000%	0.20000%	
287						
288	Days in year		366	366	366	
289	Divide days by 366		1.0000	1.0000	1.0000	
290						
291	Gross Part I.3 Tax LCT (Must agree with tax return)	=	0	0	0	
292						
293	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
294						
295	Less: Federal Surtax = Actual Surtax from tax return	-	0		0	
296						
297	Net Part I.3 Tax - LCT Payable (Must agree with tax return)	=	0	0	0	
298	(If surtax is greater than Gross LCT, then zero)					
299						
300	Section F: Income and Capital Taxes					
301						
302	RECAP FROM ABOVE:					
303	Total Income Taxes	+	869,361	0	869,361	
304	Ontario Capital Tax	+	115,402	0	115,402	
305	Federal Large Corporations Tax	+	0	0	0	
306						
307	Total income and capital taxes	=	984,763	0	984,763	
308						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	RRR # 2.1.8				Version 2004.2	
6						
7	Utility Name: Festival Hydro Inc					
8	Reporting period: January 1, 2004 to December 31, 2004					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other				0	
19	Other				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other				0	
31	Other				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Future Employee Benefits		1,109,000		1,109,000	
48	Other -				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		1,109,000	0	1,109,000	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Future employee Benefits		1,152,145		1,152,145	
60	Other				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		1,152,145	0	1,152,145	
64						

	A	B	C	D	E	F
1						
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RRR # 2.1.8		Return			
6					Version 2004.2	
7						
8	Utility Name: Festival Hydro Inc					
9	Reporting period: January 1, 2004 to December 31, 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		38,921			
12						
13	Section C: Reconciliation of accounting income to taxable income					
14	Add:					
15	Recapture of capital cost allowance	+			0	
16	Gain on sale of eligible capital property	+			0	
17	Income or loss for tax purposes- joint ventures or partnerships	+	4,414		4,414	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+	5,350		5,350	
20	Charitable donations	+			0	
21	Taxable capital gains	+			0	
22	Depreciation in inventory -end of year	+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Non-deductible club dues and fees	+			0	
27	Non-deductible automobile expenses	+			0	
28	Non-deductible life insurance premiums	+			0	
29	Soft costs on construction and renovation of buildings	+			0	
30	Non-deductible meals and entertainment	+			0	
31	Book loss on joint ventures or partnerships	+			0	
32	Capital items expensed	+			0	
33	Debt issue expense	+			0	
34	Deemed dividend income	+			0	
35	Dividends credited to investment account	+			0	
36	Financing fees deducted in books	+			0	
37	Gain on settlement of debt	+			0	
38	Interest paid on income debentures	+			0	
39	Recapture of SR&ED expenditures	+			0	
40	Share issue expense	+			0	
41	Write down of capital property	+			0	
42	Amounts received in respect of qualifying environment trust	+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Debt financing expenses	+			0	
45		+			0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+				
54	Total Additions	=	9,764	0	9,764	
55						
56	Recap of Material Additions:					
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			0	0	0	
82			0	0	0	

	A	B	C	D	E	F
2	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RRR # 2.1.8		Return			
6					Version 2004.2	
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92			0	0	0	
93			0	0	0	
94						
95	Total Material additions		0	0	0	
96	Other additions less than materiality level		9,764	0	9,764	
97	Total Additions		9,764	0	9,764	
98						
99	Deduct:					
100	Gain on disposal of assets per f/s	-			0	
101	Dividends not taxable under section 83	-			0	
102	Terminal loss from Schedule 8	-			0	
103	Depreciation in inventory, end of prior year	-			0	
104	Scientific research expenses claimed in year from Form T661	-			0	
105	Bad debts	-			0	
106	Book income of joint venture or partnership	-			0	
107	Equity in income from subsidiary or affiliates	-			0	
108	Contributions to a qualifying environment trust	-			0	
109	Other income from financial statements	-			0	
110	Other deductions: (Please explain in detail the nature of the item)	-				
111	Imputed interest on Reg Assets	-			0	
112		-			0	
113		-			0	
114		-			0	
115		-			0	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121		-			0	
122	Total Deductions	=	0	0	0	
123						
124	Recap of Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140			0	0	0	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145			0	0	0	
146	Total Deductions exceed materiality level		0	0	0	
147	Other deductions less than materiality level		0	0	0	
148	Total Deductions		0	0	0	
149						

	A	B	C	D	E	F	G	H	I	J
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"									
2	Corporate Tax Rates					Version 2004.2				
3	Exemptions, Deductions, or Thresholds					RRR # 2.1.8				
4	Utility Name: Festival Hydro Inc									
5	Reporting period: January 1, 2004 to December 31, 2004									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications									
9	Income Range		0		200,001					
10	RAM 2002		to		to		>700,000			
11		Year	200,000		700,000					
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		0.00%							
15	and Ontario blended		19.12%		34.12%		38.62%			
16	Blended rate		19.12%	0.00%	34.12%		38.62%			
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Rates and Exemptions for 2004									
27	Income Range		0	250,001	400,001					
28	Expected Rates 2004		to	to	to		>1,128,000			
29		Year	250,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2004								
32	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%			
33	Ontario		5.50%	5.50%	9.75%		14.00%			
34	Blended rate		18.62%	27.62%	31.87%		36.12%			
35										
36	Capital Tax Rate		0.300%							
37	LCT rate		0.200%							
38	Surtax		1.12%							
39	Ontario Capital Tax Exemption ***	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption ***	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2004 Tax Returns									
45	Income Range		0	250,001	400,001					
46			to	to	to		>1,128,000			
47		Year	250,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2004								
50	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%			
51	Ontario		5.50%	5.50%	9.75%		14.00%			
52	Blended rate		18.62%	27.62%	31.87%		36.12%			
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,866,364							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	47,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission:									
60	Ontario CT23 page 11; federal T2 Schedule 36									
61										
62										
63										
64										

	A	B	C	D
1		SECTION 93 PILs TAX GROSS-UP "SIMPIL"		
2		Filing Requirements related to the "SIMPIL" model		Version 2004.2
3		Utility Name: Festival Hydro Inc		RRR # 2.1.8
4		Reporting period: January 1, 2004 to December 31, 2004		
5				
6				
7				
8				
9		Documents to be submitted to the Board when filing the Ministry of Finance Column information:		
10		(Stage 3 filing: normally in July of the year following the reporting period)		
11				
12		Please file 3 copies of each paper document and 1 CD or disk		
13				
14	1)	REGINFO	☒	
15				
16	2)	TAXCALC	☒	
17				
18	3)	TAXREC	☒	
19				
20	4)	Tax Reserves	☒	
21				
22	5)	TAXREC 2	☒	
23				
24	6)	Tax Rates	☒	
25				
26	7)	Checklist	☒	
27				
28	8)	Background Questionnaire	☒	
29				
30	9)	PILs Variance Analysis	☒	
31				
32	10)	Financial statements used to prepare tax returns if different from the audited financial statements submitted to the Board in April 2005	N.A.	No change
33				
34	11)	Electronic Excel format of the SIMPIL worksheets	☒	
35				
36	12)	Notices of assessments, and any re-assessments, for:		
37			2001	☒
38			2002	☒
39			2003	☒
40			2004	☒
41				
42	13)	Schedules or pages from CT23 and T2 tax returns	☒	
43				
44				
45				
46				
47				
48				
49				
50				

	A	B	C
1		SECTION 93 PILs TAX GROSS-UP "SIMPIL"	
2		Background Questionnaire	Version 2004.2
3		Utility Name: Festival Hydro Inc	RRR # 2.1.8
4		Reporting period: January 1, 2004 to December 31, 2004	
5			
6	1	Does the company engage in non-regulated activities?	
7		Answer: Yes	
8			
9			
10		If the answer to question 1 is "NO", please skip questions 2 to 6.	
11			
12	2	Please identify the types of non-wire operations carried on by the LDC.	
13		Answer:	
14		Billing and collection of water and sewage on behalf of the City of Stratford, streetlight	
15		maintenance for local municipalities.	
16			
17	3	Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?	
18		Answer: No	
19			
20			
21			
22	4	Please identify the percentage and amount of gross revenues arising from non-wire operations.	
23		Answer: 1.53% (\$783,813) of total gross revenues are from non-wire operations.	
24		The net of non wire income less non wire expenses totaling \$122,318 is recorded in TAXREC cell D34	
25			
26	5	Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.	
27		Answer: 11.27% (\$661,495) of total operating expenses (operating expenses being operations and	
28		maintenance, customer billing and collecting, administration and amortization expense.	
29			
30	6	Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining to non-wire operations.	
31		Answer: Nil	
32			
33			
34			
35	7	Did the company incur any OPEBs (post employment benefits other than pensions) for accounting and tax purposes? (Please identify the amount.)	
36		Answer: Yes. Post retirement benefit accrual for post-retirement life insurance coverage.	
37			
38			
39	8	Did the company have any reserves for accounting and tax purposes? (Please identify the amount.)	
40		Answer: Yes . Post retirement benefit accrual - beginning of year \$1,109,000; end of year \$1,152,145	
41			
42			
43			
44			

	A	B	C	D	E	F	G	H	I	J	K	N	O
1	SECTION 93 PILs TAX GROSS-UP		"SIMPIL"										
2	Analysis of Account 1562:		Deferred Payments in lieu of Taxes										
3	Utility Name: Festival Hydro Inc												Version 2004.2
4	Reporting period: January 1, 2004 to December 31, 2004												RRR # 2.1.8
5			Sign Convention: + for increase; - for decrease										
6													
7													
8													
9	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		
10	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		Total
11													
12	Opening balance:	=	0		-8,511		-112,503		-33,070		375,905		0
13	Initial Estimate PILs Rate Adjustment (1)	+/-	370,962		1,226,571		1,597,533		1,226,571				4,421,637
14	True-up Variance Adjustment (2)	+/-	0		-35,662		0				-80,797		-116,459
15	Deferral Account Variance Adjustment (3)	+/-	0		0		0				-111,101		-111,101
16	Adjustments to reported prior years' variances (4)		0		32,289		40,139						72,428
17	Carrying charges	+/-	15,033		1,357		28,512		20,407				65,309
18	PILs collected from customers - Proxy (5)	-	-394,506		-1,328,547		-1,586,752		-838,003				-4,147,807
19													
20	Ending balance: # 1562		-8,511		-112,503		-33,070		375,905		184,008		184,008
21													
22	PILs collected from customers - Reg Assets (6)	-	0		0		0		0		0		0
23													
24	Note:												
25	The purposes of this worksheet is to show the movement in Account 1562.												
26	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities												
27													
28	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery												
29	Answer:												
30													
31													
32													
33	(1) (i) From the Initial Estimate Column, under Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.												
34	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.												
35	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.												
36	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.												
37	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.												
38													
39													
40	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I130, of the TAXCALC spreadsheet												
41													
42	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I179, of the TAXCALC spreadsheet												
43													
44	(4) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.												
45													
46	(5) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.												
47													
48													
49													
50													
51													
52	(ii) Collections should equal: (a) the actual kWhs or kW for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.												
53													
54													
55													
56	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.												
57													
58													
59	(6) Any interim PILs recovery from the Reg Asset decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.												
60													
61													
62													
63													
64													
65													
66													
67													
68													

FESTIVAL HYDRO INC.
Schedule of Distribution Rates and Charges
Effective April 1, 2004 until February 28, 2005

RP-2004-0046
EB-2004-0032

LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.

RESIDENTIAL- Stratford Co Application

Monthly Service Charge	(per month)	\$14.41
Distribution Volumetric Rate	(per kWh)	\$0.011270

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$29.35
Distribution Volumetric Rate	(per kWh)	\$0.010780

GENERAL SERVICE > 50 KW

Monthly Service Charge	(per month)	\$224.02
Distribution Volumetric Rate	(per kW)	\$1.82802

GENERAL SERVICE > 50 KW TOU CUSTOMER 1

Monthly Service Charge	(per month)	\$4,571.49
Distribution Volumetric Rate	(per kW)	\$3.317930

GENERAL SERVICE > 50 KW TOU CUSTOMER 2

Monthly Service Charge	(per month)	\$3,789.43
Distribution Volumetric Rate	(per kW)	\$5.487310

LARGE USE

Monthly Service Charge	(per month)	\$10,868.16
Distribution Volumetric Rate	(per kW)	\$0.639660

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	\$0.78
Distribution Volumetric Rate	(per kW)	\$3.47353

FESTIVAL HYDRO INC.
Schedule of Distribution Rates and Charges
Effective April 1, 2004 until February 28, 2005
(continued)

RP-2004-0046
EB-2004-0032

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	N.A.
Distribution Volumetric Rate	(per kW)	N.A.

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	N.A.
Distribution Volumetric Rate	(per kW)	N.A.

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	\$0.48
Distribution Volumetric Rate	(per kW)	\$1.32471

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES HERE (as on Sheet 2)

New Account Setup	\$	6.50
Change of Occupancy	\$	6.50
Account History		
Administration Fee	\$	-
Current Year Data	\$	-
Each Additional Year Data	\$	-
Arrear's Certificate	\$	6.50
Late Payment		1.50%
Returned Cheque	\$	8.75
Collection of Account Charge	\$	7.50
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	\$	19.25
At Meter - After Hours	\$	42.50
Temporary Pole Service	\$	-
Transformer Allowance per Kw	\$	(0.60)
After Hours High Voltage Station Outage	\$	-
Residential Service 2nd Visit to Connect New Service	\$	-
Residential Service After Hours Visit to Connect New Ser	\$	-
Diversity Adjustment Credi Winter	\$	2.22
Summer	\$	1.91
(discontinued at Market Opening)		

FESTIVAL HYDRO INC. - Hensall Residential Rates
Schedule of Distribution Rates and Charges
Effective April 1, 2004 until February 28, 2005

RP-2004-0046
EB-2004-0032

LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.

RESIDENTIAL

Monthly Service Charge	(per month)	\$6.26
Distribution Volumetric Rate	(per kWh)	\$0.00680

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	\$6.26
Distribution Volumetric Rate	(per kWh)	\$0.00680

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES HERE (as on Sheet 2)

New Account Setup	\$	6.50
Change of Occupancy	\$	6.50
Account History		
Administration Fee	\$	-
Current Year Data	\$	-
Each Additional Year Data	\$	-
Arrear's Certificate	\$	6.50
Late Payment		1.50%
Returned Cheque	\$	8.75
Collection of Account Charge	\$	7.50
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	\$	19.25
At Meter - After Hours	\$	42.50
Temporary Pole Service	\$	-
Transformer Allowance per Kw	\$	-
After Hours High Voltage Station Outage	\$	-
Residential Service 2nd Visit to Connect New Service	\$	-
Residential Service After Hours Visit to Connect New Service	\$	-

Diversity Adjustment Credit Winter
(discontinued at Market Open Summer

\$	-
\$	-

FESTIVAL HYDRO INC. - Seaforth Residential Rates
Schedule of Distribution Rates and Charges
Effective April 1, 2004 until February 28, 2005

RP-2004-0046
EB-2004-0032

LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.

RESIDENTIAL

Monthly Service Charge	(per month)	\$15.75
Distribution Volumetric Rate	(per kWh)	\$0.01112

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	\$15.75
Distribution Volumetric Rate	(per kWh)	\$0.01112

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES HERE (as on Sheet 2)

New Account Setup	\$	6.50
Change of Occupancy	\$	6.50
Account History		
Administration Fee	\$	-
Current Year Data	\$	-
Each Additional Year Data	\$	-
Arrear's Certificate	\$	6.50
Late Payment		1.50%
Returned Cheque	\$	8.75
Collection of Account Charge	\$	7.50
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	\$	19.25
At Meter - After Hours	\$	42.50
Temporary Pole Service	\$	-
Transformer Allowance per Kw	\$	-
After Hours High Voltage Station Outage	\$	-
Residential Service 2nd Visit to Connect New Service	\$	-
Residential Service After Hours Visit to Connect New Service	\$	-
Diversity Adjustment Credit Winter	\$	-
(discontinued at Market Open Summer)	\$	-



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.

055 Do not use this area

Identification

Business Number (BN) 001 899571814RC0001

Corporation's name

002 Festival Hydro Inc.

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 ☒

011 187 Erie Street

012 City Province, territory, or state

015 Stratford 016 ON

Country (other than Canada) Postal code/ZIP code

017 018 N5A-2M6

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

022 187 Erie Street

023 City Province, territory, or state

025 Stratford 026 ON

Country (other than Canada) Postal code/ZIP code

027 028 N5A-2M6

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 ☒

031 187 Erie Street

032 City Province, territory, or state

035 Stratford 036 ON

Country (other than Canada) Postal code/ZIP code

037 038 N5A-2M6

040 Type of corporation at the end of the taxation year

- 1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation
- 2 ☐ Other private corporation 5 ☐ Other corporation (specify, below)
- 3 ☐ Public corporation

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 2004-01-01
YYYY/MM/DD061 2004-12-31
YYYY/MM/DDHas 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/DDIs 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

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 ☒	9
28 Does the corporation have any non-resident shareholders?	151 ☐	19
29 Is the corporation an associated Canadian-controlled private corporation?	160 ☒	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 <i>Income Tax Regulations</i> ?	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 ☒	50
55 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 ☒	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
2,104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 ☒	3
9-76 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 ☒	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 ☐	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 ☒	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 *

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 ☒

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	Hydro Services	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 GIF 300 2,413,945 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 B

Subtotal (amount A minus amount B) (if negative, enter "0") 2,413,945 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 2,413,945

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) 2,413,945 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** 2,413,945 ATaxable 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** 2,413,945 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	<u>0</u>	=	.....	<u>0</u>	1
		Number of days in the taxation year	<u>366</u>				
225,000	x	Number of days in the taxation year in 2003	<u>0</u>	=	.....	<u>0</u>	2
		Number of days in the taxation year	<u>366</u>				
250,000	x	Number of days in the taxation year in 2004	<u>366</u>	=	.....	<u>250,000</u>	3
		Number of days in the taxation year	<u>366</u>				
300,000	x	Number of days in the taxation year after 2004	<u>0</u>	=	.....	<u>0</u>	3.1
		Number of days in the taxation year	<u>366</u>				

Add amounts at lines 1, 2, 3, and 3.1 250,000 4Business limit (see notes 1 and 2 below) **410** 250,000 C

Notes: 1. For CCPCs that are not 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***** 64,535 D = ... 1,434,111 E
11,250Reduced business limit (amount C minus amount E) (if negative, enter "0") **425** 0 FSmall 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 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, 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 $\frac{300,000}{\text{line 4 above}}$ = ... 0 ANet active business income (amount from line 400) * 2,413,945 BTaxable 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 2,413,945 C**Deduct:**Aggregate investment income (amount from line 440 of page 6) 0 DAmount C minus amount D (if negative, enter "0") 2,413,945 2,413,945 EAmount A, B, or E above, whichever is less 0 FAmount Z from Part 9 of Schedule 27 0 x 100/7 = ... 0 GAmount QQ from Part 13 of Schedule 27 0 HTaxable resource income from line 435 of page 5 0 IAmount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. 0 JAmount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. 0 KTotal of amounts G, H, I, J, and K 0 0 LAmount F minus amount L (if negative, enter "0") 0 MAccelerated 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.

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 B

Amount A minus amount B (if negative, enter "0") 0 C

Taxable income from line 360 on page 3 2,413,945

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

2,413,945 x 26 2/3% = 643,719 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) 533,964

Deduct: Corporate surtax from line 600 of page 7 27,036

Net amount 506,928 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 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 3 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 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 3 of Schedule 3 1,025,872 x 1/3 341,957 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

Summary of tax and credits**Federal tax**

Part I tax payable from page 7	700	533,964
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	718	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		533,964

Add provincial or territorial tax:

Provincial or territorial jurisdiction	750	ON
(If more than one jurisdiction, enter "multiple" and complete Schedule 5)		
Net provincial or territorial tax payable (except Quebec, Ontario, and Alberta)	760	0
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0
Total tax payable	770	533,964 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	533,782
Total credits	890	533,782

Refund code **894** **0** Overpayment **0** Balance (line A minus line B) **182**

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 _____ **918** _____
Institution number 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 \$2 or less.

Balance unpaid **182**

Enclosed payment **898** **182**

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** Zehr Last name in block letters **951** William First name in block letters **954** President 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 _____ **956** 519-271-4700
Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 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 _____ **959** _____
Name in block letters Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice. 1 English/Anglais ☒ 2 Français/French ☐
Indiquer la langue de correspondance de votre choix.

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 in 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	1,221,114	A

Additions:

Provision for income taxes - current	101	871,000	
Provision for income taxes - deferred	102	-214,000	
Amortization of tangible assets	104	2,147,646	
Amortization of intangible assets	106	30,060	
Income or loss for tax purposes - joint ventures or partnerships	109	4,414	
Non-deductible meals and entertainment expenses	121	3,029	
Reserves from financial statements - balance at the end of the year	126	1,152,145	

Subtotal of additions		3,994,294	3,994,294

Other Additions:**Miscellaneous Other Additions:**

300	Capital tax expensed	290	118,270	
301	Loss on Disposal of Fixed Assets	291	5,350	
303a		0		
303b	Ontario Specified Tax Credits	2,555		
303c		0		
		2,555	293	2,555

	Subtotal of Other Additions	199	126,175	126,175

	Total Additions	500	4,120,469	

Festival Hydro Inc.

Sch. 001

Account/Business No.: 899571814RC0001

Year Ended:

2004-12-31

Deductions:

Capital cost allowance from Schedule 8	403	1,553,509	
Cumulative eligible capital deduction from Schedule 10	405	12,660	
Reserves from financial statements-balance at the beginning of the year	414	1,109,000	
Subtotal of Deductions		2,675,169	2,675,169

Other Deductions:**Miscellaneous Other Deductions:**

700 Capital tax paid	390	115,402	
701 Allowance for Regulatory Asset Interest	391	137,067	
Subtotal of Other Deductions	499	252,469	252,469
Total Deductions		510	2,927,638

Net income (loss) for income tax purposes 2,413,945
 (enter on line 300 on the T2 return) =====

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND
PART IV TAX CALCULATION****Part 1 - Dividends received during the taxation year**

Do not include dividends received from foreign non-affiliates.

Name of payer corporation Use only one line per corporation, abbreviating its name if necessary)	A	B	Complete if payer corporation is connected	
			C	D
			Business Number	Taxation year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends were paid YYYY/MM/DD
	200	205	210	220

* Connected payer corporation indicator.

Note: If your corporation's taxation year-end is different than that of the connected payer corporation,
your corporation could have received dividends from more than one taxation year of the payer corporation.
If so, use a separate line to provide the information for each taxation year of the payer corporation.

If payer corporation is not connected,
leave these columns blank.

Name of payer corporation	E Non-taxable dividend under section 83	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)	G Total taxable dividends paid by connected payer corporation	H Dividend refund of the connected payer corporation	I Part IV tax before deductions F x 1/3 **
	<u>230</u>	<u>240</u>	<u>250</u>	<u>260</u>	<u>270</u>
	0	0	0	0	0
Total	0	0	0	0	0 J
	=====	=====	=====	=====	=====
		(enter on line 320 of the T2 return)			

For dividends received from connected corporations:

Part IV tax equals: Column F x Column H / Column G

** Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

Public corporations (other than subject corporations) do not need to calculate Part IV tax.

Part IV tax before deductions (amount J in Part 1)	0

Part IV.I tax payable on dividends subject to Part IV tax.....	320	0

Subtotal	0

Current-year non-capital loss claimed to reduce Part IV tax	330	0

Non-capital losses from previous years claimed to reduce

Part IV tax.....	335	0

Current-year farm loss claimed to reduce Part IV tax.....	340	0

Farm losses from previous years claimed to reduce Part IV tax	345	0

Total losses applied against Part IV tax	0	x 1/3	=	0

Part IV tax payable (enter amount on line 712 of the T2 return) **360**

A	B	C	D
Name of connected recipient corporation	Business Number	Taxation year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD	Taxable dividends paid to connected corporations
400	410	420	430
City of Stratford	NR	2004-12-31	1,025,872
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0

		Total	1,025,872
			=====
Note			
If your corporation's taxation year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one taxation year of the recipient corporation. If so, use a separate line to provide the information for each taxation year of the recipient corporation.			
Total taxable dividends paid in the taxation year to other than connected corporations.....		450	0
Total taxable dividends paid in the taxation year for the purposes of a dividend refund total of column D above plus line 450)		460	----- 1,025,872 =====

Note

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

Total taxable dividends paid in the taxation year to other than connected corporations	450	0

Total taxable dividends paid in the taxation year for the purposes of a dividend refund		-----
total of column D above plus (line 450)	460	1,025,872

— Part 4 - Total dividends paid in the taxation year —

Complete this part if the total taxable dividends paid in the taxation year for purposes of a dividend refund (line 460 above) is different from the total dividends paid in the taxation year.

Total taxable dividends paid in the taxation year for the purposes of

a dividend refund (From above) 460 1,025,872

Other dividends paid in the taxation year

Total of 510 to 540) 0

Total dividends paid in the taxation year 500 1,025,872

Deduct:

Dividends paid out of capital dividend account 510 0

Capital gains dividends 520 0

Dividends paid on shares described in subsection 129(1.2) 530 0

Taxable dividends paid to a controlling corporation that was
bankrupt at any time in the year 540 0

Subtotal 0 0

Total taxable dividends paid in the taxation year for purposes of a dividend refund 1,025,872

Summary of Capital Cost Allowance

the corporation electing under regulation 1101(5q)? [101] N

Class	UCC at Beginning No.	Cost of Additions During Year	Adjustments	Lesser of Cost or Proceeds	1/2 of [203]-[207]	Rate %	Recapture of Capital Cost Allowance	Terminal Loss	Capital Cost Allowance	Undepreciated Capital Cost end of year
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[220]
1	24,691,582	2,383,373	154,479	0	1,191,686	4	0	0	1,041,510	26,187,924
8	378,334	39,993	0	0	19,996	20	0	0	79,666	338,661
10	313,219	38,006	0	0	19,003	30	0	0	99,667	251,558
12	4,030	21,100	0	0	10,550	100	0	0	14,580	10,550
2	5,223,083	0	0	0	0	6	0	0	313,385	4,909,698
45	0	20,891	0	0	10,445	45	0	0	4,701	16,190
98	0	192,329	0	0	96,164		0	0	0	192,329
Total	30,610,248	2,695,692	154,479	0	1,347,844		0	0	1,553,509	31,906,910

Corporate Taxprep / Taxprep des sociétés - TP-11

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	Number	% of	Book
				of common shares owned	% of common shares owned	of preferred shares owned	% of pre- ferred shares owned	value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
stival Hydro Services Inc.		862953726RC0001	3	0	0.00	0	0.00	0

Note: Enter "NR" if a corporation is not registered.

Relationship code:

- 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
 to the filing corporation, then the relationship code is "1".

Schedule 9

Corporate Taxprep / Taxprep des sociétés - TP-11

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

For use by a corporation that has eligible capital property. For more information, see the "T2 Corporation Income Tax Guide."

- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward**Cumulative eligible capital - Balance at the end of the preceding taxation year**

(if negative, enter "0") **200** 180,850 A

Add: Cost of eligible capital property acquired

during the taxation year **222** 0

Other adjustments **226** 0

Subtotal (line 222 plus line 226) 0 x 0.75 = 0 B

Non-taxable portion of a non-arm's
length transferor's gain realized on
the transfer of an eligible capital
property to the corporation after
December 20, 2002 **228**

0 x 0.50 = 0 C

amount B minus amount C (if negative, enter "0") 0 0 D

Amount transferred on amalgamation or wind-up of subsidiary **224** 0 E

Subtotal (add amounts A, D, and E) **230** 180,850 F

Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during

the taxation year **242** 0 G

The gross amount of a reduction in respect of
a forgiven debt obligation as provided for in
subsection 80(7) **244**

0 H

Other adjustments **246**

0 I

(add amounts G, H, and I) 0 x 0.75 = **248** 0 J

Cumulative eligible capital balance (amount F minus amount J) 180,850 K

If amount K is negative, enter "0" at line M and proceed to Part 2)

Cumulative eligible capital for a property no longer

owned after ceasing to carry on that business **249** 0

amount K 180,850

less amount from line 249 0

Current year deduction 180,850 x 7.00% = **250** 12,660 *

(line 249 plus line 250) (enter this amount at line 405 of Schedule 1) 12,660 12,660 L

Cumulative eligible capital - Closing balance (amount K minus amount L)

(if negative, enter "0") **300** 168,190 M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

Part 2 - Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

Amount from line K (show as positive amount) 0 N

Total of cumulative eligible capital (CEC) deductions from income
for taxation years beginning after June 30, 1988 400 0 1Total of all amounts which reduced CEC in the current or
prior years under subsection 80(7) 401 0 2Total of CEC deductions claimed for taxation years
beginning before July 1, 1988 402 0 3Negative balances in the CEC account that were
included in income for taxation years beginning
before July 1, 1988 408 0 4

Line 3 minus line 4 (if negative, enter "0") 0 0 5

Total of lines 1, 2, and 5 0 6

Amounts included in income under paragraph 14(1)(b), as that
paragraph applied to taxation years ending after June 30, 1988
and before February 28, 2000, to the extent that it is for
an amount described at line 400 0 7Amounts at line T from Schedule 10 previous taxation
years ending after February 27, 2000 0 8

Subtotal (line 7 plus line 8) 409 0 0 9

Line 6 minus line 9 (if negative, enter "0") 0 0 O

Line N minus line O (if negative, enter "0") 0 P
Line 5 0 x 1/2 = 0 Q

Line P minus line Q (if negative, enter "0") 0 R

Amount R 0 x 2/3 = 0 S

Amount N or amount O, whichever is less 0 T

Amount to be included in income (amount S plus amount T)
enter this amount on line 108 of Schedule 1) 410 0

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**

- 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) Year Month Day

Enter the calendar year to which the agreement applies Year

2004

— Allocation of the business limit (cont'd)

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? ☐ [Y/N] [N]

1	2	3	4	5	6
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 * \$
☐ 100	☐ 200	☐ 300		☐ 350	☐ 400
Festival Hydro Inc.	899571814RC0001	1	250,000	100.0000	250,000
See 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 1.3 tax of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year. The gross Part 1.3 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 $0.225\% \times (A - \$10,000,000)$ 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.

estival Hydro Inc.
ccount/Business No.: 899571814RC0001 Year Ended: 2004-12-31
Sch. 023-Supp.
AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

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 \$	Part 1.3 Tax
[100]	[200]	[300]		[350]	[400]	

estival Hydro Services Inc.	862953726RC0001	1	250,000	.0000	0	0
TOTALS			250,000	.0000	0	0

Schedule 23-Supplementary

Corporate Taxprep / Taxprep des sociétés - TP-11

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

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.
Do not file this agreement if no members of the related group have 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 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 —

Date filed (do not use this area)	010	Year Month Day
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
Festival Hydro Inc.	899571814RC0001	47,000,000	
See attached		3,000,000	
		50,000,000	
Total (Before 2004 must not exceed \$10,000,000 After 2003 must not exceed \$50,000,000)		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.

estival Hydro Inc.
ccount/Business No.: 899571814RC0001 Year Ended:
AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

Sch. 036-Supp.
2004-12-31

- 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	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]
estival Hydro Services Inc.	862953726RC0001	3,000,000	
TOTAL		3,000,000	

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.

chedule 36 - Supplementary

Corporate Taxprep / Taxprep des sociétés - TP-11

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	400	500
Corporation of the City of Stratford	NR		100.00	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

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.



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

2004/
2005

CT23 Corporations Tax and Annual Return

For taxation years commencing
after December 31, 2002

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

This form 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. 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 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.

ICBS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide)

☒ Yes ☐ No

Page 1 of 20

Ministry Use
CLIENT COPY

Corporation's Legal Name (including punctuation)

Festival Hydro Inc.

Mailing Address

87 Erie Street

Stratford

ON CA N5A-2M6

Has the mailing address changed since last filed CT23 Return?

☐ Yes

Date of Change

year month day

Registered/Head Office Address

87 Erie Street

Stratford

ON CA N5A-2M6

Location of Books and Records

87 Erie Street

Stratford

ON CA N5A-2M6

Name of person to contact regarding this CT23 Return

Telephone No.

Fax No.

William Zehr

519-271-4700

Address of Principal Office in Ontario (Extra-Provincial Corporations only)

(MCBS)

ON CA -

Former Corporation Name (Extra-Provincial Corporations only)

☒ 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 ☒ this box. Schedule(s) A and K are not required (MCBS).

☒ No Change

Ontario Corporations Tax Account No. (MOF)

7825059

This 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
2000-07-11

Ontario
Corporation No.
(MCBS)

1484983

Canada Customs and Revenue Agency
Business No.

If applicable, enter

899571814RC0001

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

☒ Not Applicable

Preferred Language / Langue de préférence

☒ 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)

William Zehr

Title ☐ Director ☒ Officer ☐ 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.

Festival Hydro Inc.

7825059

2004-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1 ☒ 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 ☒ 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

Hydro Services

Please "X" box(es) if applicable:

☐ First Year of Filing

☐ Amended Return

☐ Taxation Year End has changed - Canada Customs
and Revenue Agency 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

Was the corporation inactive throughout the taxation year?

Yes No
☐ ☒

Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?

☒ ☐

Are you requesting a refund due to: the Carry-back of a Loss?

☐ ☒

an Overpayment?

☒ ☐

a Specified Refundable Tax Credit?

☐ ☒

Are you a Member of a Partnership or Joint Venture?

☐ ☒

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).

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	2,413,945.
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 Schedule 3			3	0.
Subtract: Ontario political contributions (Attach Schedule 2A) (Int.B. 3002R)			4	0.
Subtract: Federal Part VI.1 tax 0. X 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.
Taxable Income (Non-capital loss)			10	2,413,945.
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	2,413,945.

Taxable Income	Number of Days in Taxation Year	
From 10 (or 20 if applicable) 2,413,945. X 30 100.0000% X 12.5000% X	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days
Ontario Allocation	33 0 + 73	366
	= + 29 0.	
From 10 (or 20 if applicable) 2,413,945. X 30 100.0000% X 14.0000% X	Days after Dec. 31, 2003	Total Days
Ontario Allocation	34 366 + 73	366
	= + 32 337,952.	
Income Tax Payable (before deduction of tax credits) 29 + 32	= 40 337,952.	

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 ☐ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) 50 2,413,945.

Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+	51	2,413,945.
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.
	=		2,413,945. 54 2,413,945.
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

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	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% X	56 400,000. = 60 400,000.	*** Ontario Allocation 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

Festival Hydro Inc.

7825059

2004-12-31

DOLLARS ONLY

Income Tax continued from Page 4

		Number of Days in Taxation Year										
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days									
Calculation of IDSBC Rate	7.00%	x	<table border="1"><tr><td>31</td><td>0</td><td>+</td><td>73</td><td>366</td></tr></table>	31	0	+	73	366	= +	<table border="1"><tr><td>89</td><td>.0000</td></tr></table>	89	.0000
31	0	+	73	366								
89	.0000											
	8.50%	x	<table border="1"><tr><td>34</td><td>366</td><td>+</td><td>73</td><td>366</td></tr></table>	34	366	+	73	366	= +	<table border="1"><tr><td>90</td><td>8.5000</td></tr></table>	90	8.5000
34	366	+	73	366								
90	8.5000											
IDSBC Rate for Taxation Year	<table border="1"><tr><td>89</td><td>+</td><td>90</td></tr></table>	89	+	90					=	<table border="1"><tr><td>78</td><td>8.5000</td></tr></table>	78	8.5000
89	+	90										
78	8.5000											
Claim	From <table border="1"><tr><td>60</td></tr></table> 400,000.	60	X	From <table border="1"><tr><td>78</td></tr></table> 8.5000%	78			=	<table border="1"><tr><td>70</td><td>34,000.</td></tr></table>	70	34,000.	
60												
78												
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.

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 <table border="1"><tr><td>10</td></tr></table> (or <table border="1"><tr><td>20</td></tr></table> if applicable)	10	20	+	<table border="1"><tr><td>80</td></tr></table>	80	2,413,945.		
10									
20									
80									
If you are a member of an associated group (X) <table border="1"><tr><td>81</td></tr></table> <table border="1"><tr><td>X</td></tr></table> (Yes)					81	X			
81									
X									
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			+	<table border="1"><tr><td>82</td></tr></table> 135,998.	82				
82									
			+	<table border="1"><tr><td>83</td></tr></table>	83				
83									
			+	<table border="1"><tr><td>84</td></tr></table>	84				
84									
Aggregate Taxable Income	<table border="1"><tr><td>80</td></tr></table> + <table border="1"><tr><td>82</td></tr></table> + <table border="1"><tr><td>83</td></tr></table> + <table border="1"><tr><td>84</td></tr></table> , etc.	80	82	83	84			= <table border="1"><tr><td>85</td></tr></table> 2,549,943.	85
80									
82									
83									
84									
85									

		Number of Days in Taxation Year									
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days								
320,000	x	<table border="1"><tr><td>31</td><td>0</td><td>+</td><td>73</td><td>366</td></tr></table>	31	0	+	73	366	= +	<table border="1"><tr><td>115</td></tr></table>	115	0.
31	0	+	73	366							
115											
400,000	x	<table border="1"><tr><td>34</td><td>366</td><td>+</td><td>73</td><td>366</td></tr></table>	34	366	+	73	366	= +	<table border="1"><tr><td>116</td></tr></table>	116	400,000.
34	366	+	73	366							
116											
		<table border="1"><tr><td>115</td></tr></table> + <table border="1"><tr><td>116</td></tr></table>	115	116	=	400,000.	- <table border="1"><tr><td>114</td></tr></table> 400,000.	114			
115											
116											
114											
(If negative, enter nil)					= <table border="1"><tr><td>86</td></tr></table> 2,149,943.	86					
86											

		Number of Days in Taxation Year									
		Days after Dec. 31, 2002	Total Days								
Calculation of Specified Rate for Surtax	4.6670%	x	<table border="1"><tr><td>38</td><td>366</td><td>+</td><td>73</td><td>366</td></tr></table>	38	366	+	73	366	= +	<table border="1"><tr><td>97</td></tr></table> 4.6670	97
38	366	+	73	366							
97											
From <table border="1"><tr><td>86</td></tr></table> 2,149,943.	86	x	From <table border="1"><tr><td>97</td></tr></table> 4.6670%	97			= <table border="1"><tr><td>87</td></tr></table> 100,338.	87			
86											
97											
87											
From <table border="1"><tr><td>87</td></tr></table> 100,338.	87	x	From <table border="1"><tr><td>60</td></tr></table> 400,000.	60	+	From <table border="1"><tr><td>114</td></tr></table> 400,000.	114	= <table border="1"><tr><td>88</td></tr></table> 100,338.	88		
87											
60											
114											
88											
Surtax Lesser of <table border="1"><tr><td>70</td></tr></table> or <table border="1"><tr><td>88</td></tr></table>	70	88					= <table border="1"><tr><td>100</td></tr></table> 34,000	100			
70											
88											
100											

* **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

Festival Hydro Inc.

7825059

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 scientific research and experimental 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 CT23 Schedule 113 (Attach Schedule 113) + 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. 204 Name of ProductionEligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) + 193 0.**Graduate Transitions Tax Credit (GTTC) (s.43.6)**

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.

No. of Graduates From 6596194 0Eligible Credit From 6598 CT23 Schedule 115 (Attach Schedule 115) + 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 Certificate of Eligibility) + 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 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) + 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 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) + 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 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC). (Attach the original Certificate of Eligibility) + 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 Certificate of Eligibility) + 201 0.**Apprenticeship Training Tax Credit (ATTC) (s.43.13)**No. of Apprentices From 5896

Applies to employment of eligible apprentices.

202 1Eligible Credit From 5898 CT23 Schedule 114 (Attach Schedule 114) + 203 2,555.

Other (specify) + 203.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220 2,555.**Specified Tax Credits Applied to reduce Income Tax** = 225 2,555.**Income Tax** 190 - 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be negative) = 230 335,397.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.

Festival Hydro Inc.

7825059

2004-12-31

DOLLARS ONLY

Corporate Minimum Tax (CMT)

Total Assets of the corporation + [240] 46,777,120.

Total Revenue of the corporation + [241] 8,377,410.

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] ☒ (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] 1,365,425.	+ [244] 492,796.
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .
Aggregate Total Assets	[240] + [243] + [245] + [247], etc.		= [249] 48,142,545.	
Aggregate Total Revenue	[241] + [244] + [246] + [248], etc.			= [250] 8,870,206.

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] 1,873,700. X From [30] 100.0000% X 4.0000% = [276] 74,948.
 If negative, enter zero Ontario Allocation

Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) [277] 0.

Subtract: Income Tax From [190] 337,952.

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 Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.

CMT Credit Carryover available From Schedule 101 From [2333] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) + From [190] 337,952.

Gross CMT Payable + From [276] 74,948.

Subtract: Foreign Tax Credit for CMT purposes - From [277] 0.

If [276] - [277] is negative, enter NIL in [290] = 74,948. - [290] 74,948.

Income Tax eligible for CMT Credit = [300] 263,004.

B. Income Tax (after deduction of specified credits) + From [230] 335,397.

Subtract: CMT credit used to reduce income taxes - [310] 0.

Income Tax = [320] 335,397.

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].

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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(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. 3012R and 3015R)	+	350	19,637,111.
Retained earnings (if deficit, deduct) (Int.B. 3012R)	±	351	2,790,089.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012R)	+	352	0.
Loans and advances (Attach schedule) (Int.B. 3013R)	+	353	17,234,366.
Bank loans (Int.B. 3013R)	+	354	0.
Bankers acceptances (Int.B. 3013R)	+	355	0.
Bonds and debentures payable (Int.B. 3013R)	+	356	0.
Mortgages payable (Int.B. 3013R)	+	357	0.
Lien notes payable (Int.B. 3013R)	+	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. 3013R)	+	359	-1,683,000.
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	+	360	0.
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)	+	361	1,224,827.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	+	362	0.
Subtotal	=	370	39,203,393.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)	-	371	-4,130,307.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	-	372	0.
Total Paid-up Capital	=	380	43,333,700.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	-	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	43,333,700.

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	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	0.
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	0.

continued on Page 10

Attached Sch.
2004-12-31

OCT - NBV vs. UCC

NBV of capital assets		28,175,014.00
Less: Land		-340,120.00
Organizational costs		165,962.00
		0.00
Less: UCC per SCH 008		-31,906,910.00
		0.00
Less: CEC x 4/3		-224,253.00
		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		-4,130,307.00

Festival Hydro Inc.

Corp. Tax Acct. No. : 7825059

Year Ended:

Attached Sch.

[illegible]

Total

0.00

estival Hydro Inc.

Year Ended:

Attached Sch.

Reserves not Deducted for Tax Purposes

Post Employment Benefits	1,152,145.00
Regulatory Liability	209,749.00
Deduct: Allowance for uncollectible interest	-137,067.00
	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	----- 1,224,827.00 -----

Festival Hydro Inc.

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DOLLARS ONLY

Capital Tax continued from Page 9**Total Assets** (Int.B. 3015R)

Total Assets per balance sheet	-----	+	420	46,777,120.
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	46,777,120.
Amounts in 360 and 361 (if deducted from assets)	-----	+	440	0.
Subtract: Amounts in 371, 372 and 381	-----	-	441	-4,130,307.
Subtract: Appraisal surplus if booked	-----	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	-----	±	443	0.
Total Assets	-----	=	450	50,907,427.
Investment Allowance ((410 + 450) × 390)	-----	Not to exceed	410	= 460 0.
Taxable Capital 390 - 460	-----	=	470	43,333,700.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	-----	480	8,377,410.
Total Assets (as adjusted)	-----	From 430	46,777,120.

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002.

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 2004/2005 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	35 366	+ 73 366	= +	500 5,000,000.
		Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days		
7,500,000	X	36 0	+ 73 366	= +	501 0.
		Days after Dec. 31, 2005 and before Jan. 1, 2007	Total Days		
10,000,000	X	37 0	+ 73 366	= +	502 0.
Taxable Capital Deduction (TCD) 500 + 501 + 502				=	503 5,000,000.

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	0.							
-	From 503	0.							
=	471	0.	X From 30	100.0000%	X	3000% X 555 366	= +	523	0.

Ontario Allocation

366

365 (366 if leap year)

If floating taxation year, refer to Guide.

Transfer to 543 on page 12 and complete the return from that point

continued on Page 11

Festival Hvdro Inc.

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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. ☒ **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** 43,333,700.

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

See attached

+ **531** 1,189,993.
+ **532** _____
+ **533** _____
= **540** 44,523,693.

Aggregate Taxable Capital **470** + **531** + **532** + **533**, etc. -----

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** 43,333,700. + From **540** 44,523,693. X From **503** 5,000,000. = **541** 4,866,364.
Transfer to **542** in Section E on page 12

S.s.69(2.1) Election Filed

☐ **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

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	43,333,700.															
-	542	4,866,364.															
=	471	38,467,336.															
			X From	30	|	100.0000	% X	.3000	% X	555	|	366	- - - - -	= +	523	115,402.	
			Ontario Allocation						Days in taxation year						Total Capital Tax for the taxation year		
									*		366						
									(366 if leap 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

$$+ \text{ From } 470 \text{ } 0. \times \text{ From } 30 \text{ } 100.0000 \% \times .3000 \% \text{ } \text{Ontario Allocation} \text{ } = + 561 \text{ } 0.$$

- Capital tax deduction From 995 relating to **your corporation's** Capital Tax deduction, on Schedule 591 - - - - - From 995 0.
= 562 0.

$$\begin{array}{rcll} \text{Capital Tax} & - & \boxed{562} & 0. \\ & & \times & \begin{array}{r} \text{Days in taxation year} \\ \boxed{555} \frac{366}{366} \\ * \end{array} = & \boxed{563} 0. \\ & & & \text{(366 if leap year)} \end{array}$$

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	=	543	115,402.
Subtract: Specified Tax Credits applied to reduce capital tax payable <i>(Refer to Guide)</i>	-	546	-	546	0.
Capital Tax 543 - 546 <i>(amount cannot be negative)</i>	-	550	=	550	115,402.

Transfer to Page 17

continued on Page 13

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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] 0. x 0.6% X From [30] % X [555] 0 + * 0 (366 if leap year) = + [569] 0.

Lesser of adjusted
Taxable Paid Up Capital
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 Taxable
Paid Up Capital
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 2) [569] + [574] = [575] 0.

* 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] 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 Page 12

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

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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	2,413,945.
Total of Additions on page 14	From	=	640	3,827,314.
Sub Total of deductions on page 14	From	=	681	3,827,314.

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

From 662 0.

ONTTI Gross-up deduction calculation:

From 662	Gross-up of CCA	0. X	100	From 662	0.	=	663	0.
			From 30 100.0000					
			Ontario Allocation					

Workplace Child Care Tax Incentive (WCCT)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures:	From 665	0. X	30.00% X	100	From 30	100.0000	=	666	0.
						Ontario Allocation			

Workplace Accessibility Tax Incentive (WATI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures:	From 667	0. X	100.00% X	100	From 30	100.0000	=	668	0.
						Ontario Allocation			

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:	From 670	0. X	30.00% X	100	From 30	100.0000	=	671	0.
						Ontario Allocation			

Educational Technology Tax Incentive (ETTI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures:	From 672	0. X	15.00% X	100	From 30	100.0000	=	673	0.
						Ontario Allocation			

Ontario allowable business investment loss + 678 0.

Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161 + 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 = 3,827,314. 680 3,827,314.

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 2,413,945.

Transfer to Page 4

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Continuity of Losses Carried Forward

	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) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add:	701	711	721	731	741	751
Current year's losses (7)	0	0	0	0	0	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:	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	0	0	0	0	0	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

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 1995-12-31	817 (9) 0	860 (9) 0		850 0	870 0
801 8th preceding taxation year 1996-12-31	818 (9) 0	861 (9) 0		851 0	871 0
802 7th preceding taxation year 1997-12-31	819 (9) 0	862 (9) 0		852 0	872 0
803 6th preceding taxation year 1998-12-31	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1999-12-31	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 2000-12-31	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

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.

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:
 - the first day of the taxation year after the loss year,
 - the day on which the corporation's return for the loss year is delivered to the Minister, or
 - 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	911	921	931	941
i) 3rd preceding	901 0	0	0	0
ii) 2nd preceding	902 0	0	0	0
iii) 1st preceding	903 0	0	0	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	335,397.
Corporate Minimum Tax	+ From 280	0.
Capital Tax	+ From 550	115,402.
Premium Tax	+ From 590	0.
Total Tax Payable	= 950	450,799.
Subtract: Payments	- 960	737,086.
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	-286,287.
Payment due	Enclosed * 990	0.
If overpayment: Refund (Refer to Guide)	- = 975	286,287.
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)

William Zehr

Title

President

Full Residence Address

187 Erie Street

Stratford

ON CA N5A-2M6

Signature

Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Attached Sch.
2004-12-31

=====

Attached Sch.
2004-12-31

[illegible]

Total

0.00

Attached Sch.
2004-12-31

1,224,827.00

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	7825059	2004-12-31

[illegible]

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	7825059	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)

[illegible]

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

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1	2	3	4	5	6	7	8	9	10	11	12	13
Class number	Ontario under-precipitated capital cost at the beginning of the year (under-precipitated capital cost at the end of the prior year's CCA schedule)	Cost of acquisitions during the year (new property must be available for use)	Net (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario under-precipitated capital cost plus column 3 or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)	Reduced under-precipitated capital cost (column 6 minus column 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario under-precipitated capital cost at the end of the year (column 6 minus column 12)
1	24,691,582	2,383,373	154,479	0	27,229,434	1,191,686	26,037,748	4	0	0	1,041,510	26,187,924
8	378,334	39,993	0	0	418,327	19,996	398,331	20	0	0	79,666	338,661
10	313,219	38,006	0	0	351,225	19,003	332,222	30	0	0	99,667	251,558
12	4,030	21,100	0	0	25,130	10,550	14,580	100	0	0	14,580	10,550
2	5,223,083	0	0	0	5,223,083	0	5,223,083	6	0	0	313,385	4,909,698
45	0	20,891	0	0	20,891	10,445	10,446	45	0	0	4,701	16,190
98	0	192,329	0	0	192,329	96,164	96,165		0	0	0	192,329
total	30,610,248	2,695,692	154,479	0	33,460,419	1,347,844	32,112,575		0	0	1,553,509	31,906,910

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

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1	2	3	4	5	6	7	8	9	10	11	12	13
Class number	Ontario under-precipitated capital cost at the beginning of the year (under-precipitated capital cost at the end of the prior year's CCA schedule)	Cost of acquisitions during the year (new property must be available for use)	Net adjustments (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario under-precipitated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)	Reduced under-precipitated capital cost (column 6 minus column 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario under-precipitated capital cost at the end of the year (column 6 minus column 12)

See note 1
below

See note 2
below

Total	30,610,248	2,695,692	154,479	0	33,460,419	1,347,844	32,112,575	0	0	0	1,553,509	31,906,910
								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.



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

Ontario Cumulative Eligible Capital Deduction Schedule 10

(For taxation years 2000 and later)

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	7825059	2004-12-31

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) **180,850^A**

Add: Cost of eligible capital property acquired during the taxation year + **0^B**
Amount transferred on amalgamation or wind-up of subsidiary + **0^C**
Other adjustments + **0^D**
Total of B + C + D = **0** X 0.75 = **0^E**
Subtotal A + E = **180,850^F**

Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible)
from the disposition of all eligible capital property during the taxation year + **0^G**
The gross amount of a reduction in respect of a forgiven debt obligation
as provided for in subsection 80(7) of the *Income Tax Act* (Canada) + **0^H**
Other adjustments + **0^I**
Total of G + H + I = **0** X 0.75 = **0^J**

Ontario cumulative eligible capital balance F – J = **180,850^K**

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction **180,850^K** X 7.00% * = **12,660^L**

* The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.

Enter amount in box **651** of the CT23

Ontario cumulative eligible capital - closing balance K – L (if negative, enter zero) = **168,190^M**

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition

Only complete this part if the amount at line K is negative

Amount from line K above (show as a positive amount) **0^N**

Total cumulative eligible capital deductions from income for
taxation years beginning after June 30, 1988 **0¹**

Total of all amounts which reduced cumulative eligible capital
in the current or prior years under subsection 80(7) of the ITA **0²**

Total of cumulative eligible capital deductions claimed for
taxation years beginning before July 1, 1988 **0³**

Negative balances in the cumulative eligible capital account
that were included in income for taxation years beginning
before July 1, 1988 **0⁴**

Line 3 deduct line 4 **0** **0⁵**

Total lines 1 + 2 + 5 **0⁶**

Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 **0⁷**

Deduct line 7 from line 6 **0**

N – O (cannot be negative) **0^O**

Amount on line 5 **0** X 1/2 **0^P**

P – Q **0^Q**

Amount on line R **0** X 2/3 * **0^R**

Lesser of line N or line O **0^S**

Amount to be included in income S + T **0^T**

* Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

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
Festival Hydro Inc.	7825059	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.

[illegible]

Transfer to box **540** of the CT23



Corporate Minimum Tax (CMT)
CT23 Schedule 101

Page 1 of 3

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	7825059	2004-12-31

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 1,221,114.

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	214,000.
Equity income from corporations	----- + 2103	0.
Share of partnership(s)/joint venture(s) income	----- + 2104	4,414.
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.
Dividends received/receivable deductible under fed.s.138(6)	----- + 2108	0.
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) 0. x 3	----- + 2109	0.

Subtotal ----- = 218,414. - 2110 218,414.

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes	----- + 2111	871,000.
Provision for deferred income taxes (debits) / cost of future income taxes	----- + 2112	0.
Equity losses from corporations	----- + 2113	0.
Share of partnership(s)/joint venture(s) losses	----- + 2114	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))	----- + 2115	0.

Subtotal ----- = 871,000. + 2116 871,000.

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	----- + 2117	0.	or - 2118	0.
** Fed.s.85.1	----- + 2119	0.	or - 2120	0.
** Fed.s.97	----- + 2121	0.	or - 2122	0.
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	----- + 2123	0.	or - 2124	0.
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	----- + 2125	0.	or - 2126	0.
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	----- + 2127	0.	or - 2128	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. + 2129 0.

Subtotal (Subtractions) ----- = 0. - 2130 0.

** Other adjustments ----- ± 2131 0.

Subtotal ± 2100 - 2110 + 2116 + 2129 - 2130 ± 2131 ----- = 2132 1,873,700.

** Share of partnership(s)/joint venture(s) adjusted net income/loss ----- ± 2133 0.

Adjusted net income (loss) (if loss, transfer to 2202 in Part 2: Continuity of CMT Losses Carried Forward.) ----- = 2134 1,873,700.

Deduct: * CMT losses: pre-1994 Loss ----- + From 2210 0.

* CMT losses: other eligible losses ----- + 2211 0.

----- = 0. - 2135 0.

* CMT losses applied cannot exceed adjusted net income or increase a loss

** Retain calculations. Do not submit with this schedule.

CMT Base ----- = 2136 1,873,700.

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

**Corporate Minimum Tax (CMT)
CT23 Schedule 101**

Page 2 of 3

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	7825059	2004-12-31

Part 2: Continuity of CMT Losses Carried Forward

Balance at Beginning of year	NOTES (1), (2)	-----	+	2201	0.		
Add:	Current year's losses	-----	+	2202	0.		
	Losses from predecessor corporations on amalgamation	NOTE (3) -----	+	2203	0.		
	Losses from predecessor corporations on wind-up	NOTE (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	0.		
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	NOTE (4) -----	+	2211	0.		
	Losses expired during the year	-----	+	2212	0.		
Subtotal	-----	=		0.	-	2213	0.
Balances at End of Year	NOTE (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 2214 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 1995-12-31	2260 0	2280 0
2241	8th preceding taxation year 1996-12-31	2261 0	2281 0
2242	7th preceding taxation year 1997-12-31	2262 0	2282 0
2243	6th preceding taxation year 1998-12-31	2263 0	2283 0
2244	5th preceding taxation year 1999-12-31	2264 0	2284 0
2245	4th preceding taxation year 2000-12-31	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.

**Corporate Minimum Tax (CMT)
CT23 Schedule 101**

Page 3 of 3

Corporation's Legal Name Festival Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 7825059	Taxation Year End 2004-12-31

Part 4: Continuity of CMT Credit Carryovers

Balance at Beginning of year NOTE (1) + 2301 0.

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 0.Gross Special Additional Tax NOTE (2) 312 on page 5 of the 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 0.

CMT Credit Carryovers from predecessor corporations NOTE (3) + 2325 0.

Amalgamation (x) 2315 Yes Wind-up (x) 2320 Yes

Subtotal 2301 + 2310 + 2325 = 2330 0.

Adjustments (Attach schedule) ± 2332 0.

CMT Credit Carryover available 2330 ± 2332 = 2333 0.

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 0.

CMT Credit expired during the year + 2334 0.

Subtotal = 2335 0.

Balance at End of Year NOTE (4) 2333 - 2335 = 2336 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) 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 1995-12-31	2360 0	2380 0
2341	8th preceding taxation year 1996-12-31	2361 0	2381 0
2342	7th preceding taxation year 1997-12-31	2362 0	2382 0
2343	6th preceding taxation year 1998-12-31	2363 0	2383 0
2344	5th preceding taxation year 1999-12-31	2364 0	2384 0
2345	4th preceding taxation year 2000-12-31	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 2336.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End

Instructions for completing the ATTC Claim Form

- See the reverse side for a detailed description of the Apprenticeship Training Tax Credit.
- Enter the relevant details for each eligible apprentice, including the amount of tax credit.
- Your total tax credit for the taxation year is equal to the sum of the tax credits for each eligible apprentice.
- Enter the total tax credit claimed on line 203, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- Enter the total number of apprentices hired on line 202, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- Corporations are eligible for a 25% (30% in the case of corporations with payroll not exceeding \$400,000) refundable tax credit on wages and salaries paid or payable for services performed after May 18, 2004 by an eligible apprentice during the first 36 months of an apprenticeship.
- The maximum amount of credit that can be claimed in respect of each eligible apprentice is \$5,000 per year to a maximum of \$15,000 over the first 36 months of the apprenticeship. The maximum annual tax credit of \$5,000 is pro-rated for the number of days the apprentice was employed during the taxation year.
- The credit is considered government assistance and is therefore to be included in income in the year the credit is claimed.

Summary of Apprenticeship Training Tax Credit Claimed

Complete a separate entry for each eligible apprentice that is in a qualifying skilled trade and hired before January 1, 2008. This credit applies to salaries and wages paid after May 18, 2004 and before January 1, 2011 to eligible apprentices during the first 36 months of an apprenticeship.

Example: A taxpayer, with a December 31, 2004 taxation year end, hires an otherwise eligible apprentice on June 1, 2004 at a salary of \$3,500 per month. The taxpayer's salaries and wages in the preceding taxation year were \$700,000. The credit claimed is the lesser of (1) 25% of salaries paid to the apprentice during the period of employment (\$25% x \$3,500 x 7 = \$6,125), and (2) \$5,000 multiplied by the number of days the apprentice was employed during the taxation year, divided by the total number of days in the calendar year (\$5,000 x 214/366 = \$2,923). Hence, the credit claimed in the 2004 taxation year is \$2,923.

Eligible Apprenticeship

Trade Code	Description of Apprenticeship Program	Apprentice Name and Social Insurance No. (SIN)	Registration Date of Apprenticeship Contract or Training Agreement year month day	Contract or Agreement No.	Employment Period year month day	Eligible Expenditures (EE)	* Credit Claimed (See notes below)
434a	Power Lineworker	Name Beau Dill			From 2004-06-28	5850	5876
		SIN 539-014-803	2002-10-08	A68892	To 2004-12-31	16,304	2,555
		Name			From	5851	5877
		SIN			To	0	0
		Name			From	5852	5878
		SIN			To	0	0
Totals						5874	5898
						16,304	2,555

If insufficient space, attach schedule

Corporation's salaries & wages paid in the preceding taxation year **A** \$ 2,731,669.

- If **A** is \$600,000 or greater use 25%.
- If **A** is \$400,000 or less use 30%.
- If **A** is over \$400,000 but less than \$600,000 use the following formula to calculate the specified percentage:

$$\text{Specified percentage} = .30 - [.05 (\text{From } \mathbf{A} \text{ } 2,731,669.) - \$400,000] \div \$200,000$$

Indicate specified percentage used 25.00%

* Credit claimed equals lesser of:

- (1) EE multiplied by the specified percentage, and
- (2) \$5,000 x number of days the apprentice was employed in the taxation year
365 (366 if leap year)

Total Number of Apprentices = 5896 1.

Transfer to 202 on page 7 of the CT23 Long or Page 4 of the CT23 Short, or Page 4 of the CT8



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 Assessment

Electricity A 98 • Corporations Tax Act, R.S.O. 1990
from 200. /01 to 2004/12/31

FESTIVAL HYDRO INC.

Account No.	Assessment Date (year, month, day)	Page
1800294	2005/08/24	1 of 1

ASSESSMENT NO. 118

Tax: Federal and Provincial PIL
Assessment Interest
Total Assessment Liability

984,763.00
4,427.19CR
980,335.81

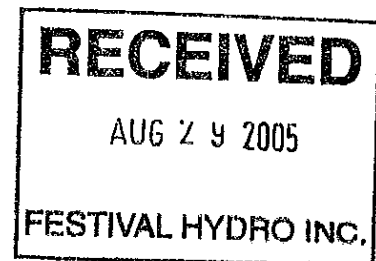
SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	1,270,868.00CR	
Sub-Total		<u>1,270,868.00CR</u>
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		<u>290,532.19CR</u>

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.

Total tax assessed as per company estimate

pd 1,270,868
Assess (984,763)
286105
291048
4943
64405
Direct Dep
Interest



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) 920-8048 ext. 3036
- FAX (905) 433-5197

0000003

002 PX5003

Festival Hydro Inc.
2004 PIL recovery - at 7.25%

Total 2004 PILs 1,226,571.00
12 months
Monthly amount to set up 102,214.25 **Started recovery in April**

Interest Calculation	Outstanding Balance	Interest Income A/c 4405	Outstanding Principal	<u>Total Recovered</u>	
Jan-04 Opening Balance	0.00		0.00		
1 month new PILS	102,214.25		102,214.25		
Interest @ 7.25	0.00	0.00	0.00		
Jan Closing Balance	102,214.25	0.00	102,214.25	0.00	0.00
Feb-04 Opening Balance	102,214.25	0.00	102,214.25	0.00	0.00
1 month new PILS	102,214.25		102,214.25		
Interest @ 7.25	568.48	568.48	0.00		
Jan Closing Balance	204,996.98	568.48	204,428.50	204,996.98	0.00
Mar-04 Opening Balance	204,996.98	568.48	204,428.50	204,996.98	0.00
1 month new PILS	102,214.25		102,214.25		0.00
March Revised balance	307,211.23		306,642.75		
Interest @ 7.25	1,258.78	1,258.78	0.00		
March Closing balance	308,470.00	1,827.25	306,642.75	308,470.00	0.00
Apr-04 April Opening balance	308,470.00	1,827.25	306,642.75	308,470.00	0.00
1 month new PILS	102,214.25		102,214.25		
Recovered in April	(26,300.03)		(26,300.03)		26,300.03
March Revised balance	384,384.22		382,556.97		
Interest @ 7.25	1,827.25	1,827.25	0.00		
April Closing balance	386,211.48	3,654.51	382,556.97	386,211.48	26,300.03
May-04 May Opening balance	386,211.48	3,654.51	382,556.97	386,211.48	26,300.03
1 month new PILS	102,214.25		102,214.25		
Recovered in May	(93,477.20)		(93,477.20)		93,477.20
May Revised balance	394,948.53		391,294.02		
Interest @ 7.25	2,355.61	2,355.61	0.00		
May Closing balance	397,304.13	6,010.12	391,294.02	397,304.13	119,777.23
Jun-04 Jun Opening balance	397,304.13	6,010.12	391,294.02	397,304.13	119,777.23
1 month new PILS	102,214.25		102,214.25		
Recovered in Jun	(84,038.96)		(84,038.96)		84,038.96
Jun Revised balance	415,479.43		409,469.31		
Interest @ 7.25	2,331.68	2,331.68	0.00		
Jun Closing balance	417,811.11	8,341.80	409,469.31	417,811.11	203,816.19
Jul-04 Jun Opening balance	417,811.11	8,341.80	409,469.31	417,811.11	203,816.19
1 month new PILS	102,214.25		102,214.25		
Recovered in Jul	(91,818.52)		(91,818.52)		91,818.52
Revised balance	428,206.84		419,865.04		
Interest @ 7.25	2,521.32	2,521.32	0.00		
Closing balance	430,728.16	10,863.12	419,865.04	430,728.16	295,634.71
Aug-04 Jun Opening balance	430,728.16	10,863.12	419,865.04	430,728.16	295,634.71
1 month new PILS	102,214.25		102,214.25		
Recovered in Aug	(95,211.54)		(95,211.54)		95,211.54
Revised balance	437,730.87		426,867.74		
Interest @ 7.25	2,585.33	2,585.33	0.00		
Closing balance	440,316.20	13,448.46	426,867.74	440,316.20	390,846.26
Sep-04 Jun Opening balance	440,316.20	13,448.46	426,867.74	440,316.20	390,846.26
1 month new PILS	102,214.25		102,214.25		
Recovered in Sep	(93,071.60)		(93,071.60)		93,071.60
Revised balance	449,458.85		436,010.39		
Interest @ 7.25	2,543.66	2,543.66	0.00		
Closing balance	452,002.51	15,992.12	436,010.39	452,002.51	483,917.86
Oct-04 Jun Opening balance	452,002.51	15,992.12	436,010.39	452,002.51	483,917.86
1 month new PILS	102,214.25		102,214.25		
Recovered in Oct	(90,418.73)		(90,418.73)		90,418.73
Revised balance	463,798.03		447,805.91		
Interest @ 7.25	2,684.75	2,684.75	0.00		
Closing balance	466,482.78	18,676.87	447,805.91	466,482.78	574,336.59

Nov-04	Jun Opening balance	466,482.78	18,676.87	447,805.91	466,482.78	574,336.59
	1 month new PILS	102,214.25		102,214.25		
	Recovered in Nov	(87,683.06)		(87,683.06)		87,683.06
	Revised balance	481,013.97		462,337.11		
	Interest @ 7.25	2,668.43	2,668.43	0.00		
	Closing balance	483,682.41	21,345.30	462,337.11	483,682.41	662,019.64
Dec-04	Jun Opening balance	483,682.41	21,345.30	462,337.11	483,682.41	662,019.64
	1 month new PILS	102,214.25		102,214.25		
	Recovered in Nov	(97,082.89)		(97,082.89)		97,082.89
	Revised balance	488,813.76		467,468.46		
	Interest @ 7.25	2,846.86	2,846.86	0.00		
	Closing balance	491,660.62	24,192.16	467,468.46	491,660.62	759,102.54
2004	New PILS	1,226,571.00				
	Recoveries	(759,102.54)				
	Interest	24,192.16				
	True Up	0.00				
		491,660.62				
Jan-05	Jan Opening balance	491,660.62	24,192.16	467,468.46	491,660.62	759,102.54
	1 month new PILS	0.00		0.00		
	Recovered in	(115,002.54)		(115,002.54)		115,002.54
	Revised balance	376,658.08		352,465.92		
	Interest @ 7.25	2,878.45	2,878.45	0.00		
	Closing balance	379,536.53	27,070.61	352,465.92	379,536.53	874,105.08
	Int YTD		2,878.45			
Feb-05	Feb Opening balance	379,536.53	27,070.61	352,465.92	379,536.53	874,105.08
	1 month new PILS	0.00		0.00		
	Recovered in	(115,002.54)		(115,002.54)		115,002.54
	Revised balance	264,533.99		237,463.38		
	Interest @ 7.25	1,960.29	1,960.29	0.00		
	Closing balance	266,494.28	29,030.90	237,463.38	266,494.28	989,107.62
	Int YTD		4,838.74			
Mar-05	Feb Opening balance	266,494.28	29,030.90	237,463.38	266,494.28	989,107.62
	1 month new PILS	0.00		0.00		
	Recovered in	(186,719.59)		(186,719.59)		186,719.59
	Revised balance	79,774.69		50,743.79		
	Interest @ 7.25	1,462.19	1,462.19	0.00		
	Closing balance	81,236.88	30,493.09	50,743.79	81,236.88	1,175,827.21
	Int YTD		6,300.93			
(Mar 05 last mth on 2004 PIL recovery- Mar 05 includeds unbilled revenuee)						
Apr-05	Feb Opening balance	81,236.88	30,493.09	50,743.79	81,236.88	1,175,827.21
	1 month new PILS	0.00		0.00		
	Recovered in	0.00		0.00		0.00
	Revised balance	81,236.88		50,743.79		
	Interest @ 7.25	302.38	302.38	0.00		
	Closing balance	81,539.26	30,795.47	50,743.79	81,539.26	1,175,827.21
	Int YTD		6,603.31			
May-05	Feb Opening balance	81,539.26	30,795.47	50,743.79	81,539.26	1,175,827.21
	Interest @ 7.25	312.46	312.46	0.00		
	Closing balance	81,851.72	31,107.92	50,743.79	81,851.72	1,175,827.21
	Int YTD		6,915.77			
Jun-05	Feb Opening balance	81,851.72	31,107.92	50,743.79	81,851.72	1,175,827.21
	PILs true up	(119,927.00)		(119,927.00)		
	Interest @ 7.25	302.38	302.38	0.00		
	Closing balance	(37,772.91)	31,410.30	(69,183.21)	(37,772.91)	1,175,827.21
	Int YTD		7,218.14			
Jul-05	Feb Opening balance	(37,772.91)	31,410.30	(69,183.21)	(37,772.91)	1,175,827.21
	Interest @ 7.25	(426.00)	(426.00)	0.00		
	Closing balance	(38,198.90)	30,984.30	(69,183.21)	(38,198.90)	1,175,827.21
	Int YTD		6,792.15			
Aug-05	Feb Opening balance	(38,198.90)	30,984.30	(69,183.21)	(38,198.90)	1,175,827.21
	Interest @ 7.25	(426.00)	(426.00)	0.00		
	Closing balance	(38,624.90)	30,558.30	(69,183.21)	(38,624.90)	1,175,827.21
	Int YTD		6,366.15			
Sep-05	Feb Opening balance	(38,624.90)	30,558.30	(69,183.21)	(38,624.90)	1,175,827.21
	Interest @ 7.25	(412.26)	(412.26)	0.00		
	Closing balance	(39,037.16)	30,146.05	(69,183.21)	(39,037.16)	1,175,827.21
	Int YTD		5,953.89			
Oct-05	Feb Opening balance	(39,037.16)	30,146.05	(69,183.21)	(39,037.16)	1,175,827.21
	Interest @ 7.25	(426.00)	(426.00)	0.00		
	Closing balance	(39,463.16)	29,720.05	(69,183.21)	(39,463.16)	1,175,827.21

		Int YTD	5,527.89			
Nov-05	Feb Opening balance	(39,463.16)	29,720.05	(69,183.21)	(39,463.16)	1,175,827.21
	Interest @ 7.25	(412.26)	(412.26)	0.00		
	Closing balance	(39,875.41)	29,307.79	(69,183.21)	(39,875.41)	1,175,827.21
		Int YTD	5,115.64			
Dec-05	Feb Opening balance	(39,875.41)	29,307.79	(69,183.21)	(39,875.41)	1,175,827.21
	Interest @ 7.25	(426.00)	(426.00)	0.00		
	Closing balance	(40,301.41)	28,881.80	(69,183.21)	(40,301.41)	1,175,827.21
		Int YTD	4,689.64			
2005	Beginning	491,660.62				
	Recoveries	(416,724.67)				
	2004 True up	(119,927.00)				
	Interest @ 7.25	4,689.64				
		(40,301.41)				
Jan-06	Feb Opening balance	(40,301.41)	28,881.80	(69,183.21)	(40,301.41)	1,175,827.21
	Interest @ 7.25	(426.00)	(426.00)	0.00		
	Closing balance	(40,727.41)	28,455.80	(69,183.21)	(40,301.41)	1,175,827.21
		YTD Int	(426.00)			
Feb-06	Feb Opening balance	(40,727.41)	28,455.80	(69,183.21)	(40,301.41)	1,175,827.21
	Interest @ 7.25	(384.77)	(384.77)	0.00		
	Closing balance	(41,112.18)	28,071.03	(69,183.21)	(40,301.41)	1,175,827.21
		YTD Int	(810.77)			
Mar-06	Feb Opening balance	(41,112.18)	28,071.03	(69,183.21)	(40,301.41)	1,175,827.21
	Interest @ 7.25	(426.00)	(426.00)	0.00		
	Closing balance	(41,538.18)	27,645.03	(69,183.21)	(40,301.41)	1,175,827.21
		YTD Int	(1,236.77)			
Apr-06	Feb Opening balance	(41,538.18)	27,645.03	(69,183.21)	(40,301.41)	1,175,827.21
	Interest @ 7.25	(412.26)	(412.26)	0.00		
	Closing balance	(41,950.43)	27,232.77	(69,183.21)	(40,301.41)	1,175,827.21
		YTD Int	(1,649.02)			

To Apr 30/06

Original Filed

New PILS	1,226,571.00	1,226,571.00
Add Interest	27,232.77	29,366.52
Less Recovery	(1,175,827.21)	(1,174,704.62)
Adjustment	(119,927.00)	0.00
Total - 2004	(41,950.43)	81,232.90

<u>Year</u>	<u>Beginning</u>	<u>New PILS</u>	<u>Interst</u>	<u>Recoveries</u>	<u>True UP</u>	<u>Ending</u>
2004	0.00	1,226,571.00	24,192.16	(759,102.54)		491,660.62
2005	491,660.62	0.00	4,689.64	(416,724.67)	(119,927.00)	(40,301.41)
2006	(40,301.41)	0.00	(1,649.02)			(41,950.43)
		1,226,571.00	27,232.77	(1,175,827.21)	(119,927.00)	(41,950.43)

Festival Hydro Inc.
2004 PIL Recovery
Period: Mar 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery	
Code	Category	kW's	kWh's		Recovered	Fixed monthly recovery		
AA1	Residential		20,899,583.25	0.005341	111,624.67	0.00	111,624.67	
AA2	Residential Seaforth		1,589,936.25	0.002988	4,750.73	0.00	4,750.73	
AA3	Residential Hensall		723,987.25	0.001391	1,007.07	0.00	1,007.07	
AA4	Residential Seaforth		0.00		0.00		0.00	
AA5	Residential St. Marys		0.00		0.00		0.00	1,226,572.00
								102,214.33
CCC/ZCC	General Service < 50 kWh		10,955,460.25	0.003241	35,506.65	0.00	35,506.65	
GEN	General Service < 50 kWh		136,074.75	0.003241	441.02	0.00	441.02	
CCC	General Service < 50 kWh	0.00	84,498.75	0.003241	273.86	0.00	273.86	
FFF	General Service > 50 kWh		0.00					
FF1	General Service > 50 kWh		0.00					
FF2	General Service > 50 kWh		0.00					
FFF	General Service > 50 kWh	23,682.59		0.221506	5,245.84	0.00	5,245.84	
FF1	General Service > 50 kWh	28,172.88		0.221506	6,240.46	0.00	6,240.46	
FF2	General Service > 50 kWh	65,768.45		0.221506	14,568.11	0.00	14,568.11	
ZFF/ZFF1		3,827.30		0.221506	847.77	0.00	847.77	
FAG	TOU - On		0.00					
FA1	TOU - Off							
FAG	TOU	11,131.82		0.064863	722.04	0.00	722.04	
HEN	TOU - On		0.00					
HR1	TOU - Off							
HEN	TOU	5,241.60		0.615519	3,226.30	0.00	3,226.30	
REL	TOU - On		0.00					
REL	TOU	1,010.66		1.163755	1,176.16	0.00	1,176.16	
LGH	Street Lighting - Winter							
	Street Lighting Summer							
	Street Lighting TOU	1,538.67	0.00	0.631601	971.83	0.00	971.83	
	Sentinel Lighting	64.98	0.00	1.801770	117.09	0.00	117.09	
Totals		140,438.96	34,389,540.50		186,719.59	0.00	186,719.59	
		80,213.70	19,651,166.00					
		60,225.26	14,738,374.50	SLR				

Festival Hydro Inc.
2004 PIL Recovery
Period: Feb 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery	
Code	Category	kW's	kWh's		Recovered	Fixed monthly recovery		
AA1	Residential		13,480,132.50	0.005341	71,997.39	0.00	71,997.39	
AA2	Residential Seaforth		782,411.00	0.002988	2,337.84	0.00	2,337.84	
AA3	Residential Hensall		442,215.50	0.001391	615.12	0.00	615.12	
AA4	Residential Seaforth		0.00		0.00		0.00	
AA5	Residential St. Marys		0.00		0.00		0.00	1,226,572.00
								102,214.33
CCC/ZCC	General Service < 50 kWh		6,537,738.50	0.003241	21,188.81	0.00	21,188.81	
GEN	General Service < 50 kWh		77,376.50	0.003241	250.78	0.00	250.78	
CCC	General Service < 50 kWh	0.00	48,716.00	0.003241	157.89	0.00	157.89	
FFF	General Service > 50 kWh		0.00					
FF1	General Service > 50 kWh		0.00					
FF2	General Service > 50 kWh		0.00					
FFF	General Service > 50 kWh	13,615.56		0.221506	3,015.93	0.00	3,015.93	
FF1	General Service > 50 kWh	16,437.37		0.221506	3,640.97	0.00	3,640.97	
FF2	General Service > 50 kWh	36,389.46		0.221506	8,060.48	0.00	8,060.48	
ZFF/ZFF1		2,200.29		0.221506	487.38	0.00	487.38	
FAG	TOU - On		0.00					
FA1	TOU - Off							
FAG	TOU	6,386.96		0.064863	414.28	0.00	414.28	
HEN	TOU - On		0.00					
HR1	TOU - Off							
HEN	TOU	2,910.42		0.615519	1,791.42	0.00	1,791.42	
REL	TOU - On		0.00					
REL	TOU	362.71		1.163755	422.10	0.00	422.10	
	Street Lighting - Winter							
	Street Lighting Summer							
LGH	Street Lighting TOU	879.11	0.00	0.631601	555.25	0.00	555.25	
	Sentinel Lighting	37.13	0.00	1.801770	66.91	0.00	66.91	
Totals		79,218.99	21,368,590.00	#####		0.00	115,002.54	
		158,363.71	42,737,180.00					
		79,181.86	21,368,590.00	SLR				
		37.13	0.00					

Festival Hydro Inc.
2004 PIL Recovery
Period: Jan 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery	
Code	Category	kW's	kWh's		Recovered	Fixed monthly recovery		
AA1	Residential		13,480,132.50	0.005341	71,997.39	0.00	71,997.39	
AA2	Residential Seaforth		782,411.00	0.002988	2,337.84	0.00	2,337.84	
AA3	Residential Hensall		442,215.50	0.001391	615.12	0.00	615.12	
AA4	Residential Seaforth		0.00		0.00		0.00	
AA5	Residential St. Marys		0.00		0.00		0.00	1,226,572.00
								102,214.33
CCC/ZCC	General Service < 50 kWh		6,537,738.50	0.003241	21,188.81	0.00	21,188.81	
GEN	General Service < 50 kWh		77,376.50	0.003241	250.78	0.00	250.78	
ZCC	General Service < 50 kWh	0.00	48,716.00	0.003241	157.89	0.00	157.89	
FFF	General Service > 50 kWh		0.00					
FF1	General Service > 50 kWh		0.00					
FF2	General Service > 50 kWh		0.00					
FFF	General Service > 50 kWh	13,615.56		0.221506	3,015.93	0.00	3,015.93	
FF1	General Service > 50 kWh	16,437.37		0.221506	3,640.97	0.00	3,640.97	
FF2	General Service > 50 kWh	36,389.46		0.221506	8,060.48	0.00	8,060.48	
ZFF/ZFF1		2,200.29		0.221506	487.38	0.00	487.38	
FAG	TOU - On		0.00					
FA1	TOU - Off							
FAG	TOU	6,386.96		0.064863	414.28	0.00	414.28	
HEN	TOU - On		0.00					
HR1	TOU - Off							
HEN	TOU	2,910.42		0.615519	1,791.42	0.00	1,791.42	
REL	TOU - On		0.00					
REL	TOU	362.71		1.163755	422.10	0.00	422.10	
	Street Lighting - Winter							
	Street Lighting Summer							
LGH	Street Lighting TOU	879.11	0.00	0.631601	555.25	0.00	555.25	
	Sentinel Lighting	37.13	0.00	1.801770	66.91	0.00	66.91	
	Totals	79,218.99	21,368,590.00	#####		0.00	115,002.54	
		158,363.71	42,737,180.00					
		79,181.86	21,368,590.00	SLR				
		37.13	0.00					
			21,368,590.00	SLR on report				

Festival Hydro Inc.
2004 PIL Recovery
Period: Dec 2004

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery	
Code	Category	kW's	kWh's		Recovered	Fixed monthly recovery		
AA1	Residential		10,708,903.00	0.005341	57,196.25	0.00	57,196.25	
AA2	Residential Seaforth		624,967.00	0.002988	1,867.40	0.00	1,867.40	
AA3	Residential Hensall		315,632.00	0.001391	439.04	0.00	439.04	
AA4	Residential Seaforth		0.00		0.00		0.00	
AA5	Residential St. Marys		0.00		0.00		0.00	1,226,572.00
								102,214.33
CCC/ZCC	General Service < 50 kWh		5,615,797.00	0.003241	18,200.80	0.00	18,200.80	
GEN	General Service < 50 kWh		76,996.00	0.003241	249.54	0.00	249.54	
CCC	General Service < 50 kWh	0.00		0.003241		0.00		
FFF	General Service > 50 kWh		0.00					
FF1	General Service > 50 kWh		0.00					
FF2	General Service > 50 kWh		0.00					
FFF	General Service > 50 kWh	13,158.00		0.221506	2,914.58	0.00	2,914.58	
FF1	General Service > 50 kWh	16,993.94		0.221506	3,764.26	0.00	3,764.26	
FF2	General Service > 50 kWh	37,527.19		0.221506	8,312.50	0.00	8,312.50	
ZFF/ZFF1		2,326.34		0.221506	515.30	0.00	515.30	
FAG	TOU - On		0.00					
FA1	TOU - Off							
FAG	TOU	6,543.37		0.064863	424.42	0.00	424.42	
HEN	TOU - On		0.00					
HR1	TOU - Off							
HEN	TOU	3,234.83		0.615519	1,991.10	0.00	1,991.10	
REL	TOU - On		0.00					
REL	TOU	503.35		1.163755	585.78	0.00	585.78	
	Street Lighting - Winter							
	Street Lighting Summer							
LGH	Street Lighting TOU	878.75	0.00	0.631601	555.02	0.00	555.02	
	Sentinel Lighting	37.13	0.00	1.801770	66.91	0.00	66.91	
Totals		81,202.90	17,342,295.00		97,082.89	0.00	97,082.89	
		81,202.90	17,342,295.00					
		(37.13)	174.00	SLR				
		81,165.77	17,342,469.00					

Festival Hydro Inc.
2004 PIL Recovery
Period: Nov 2004

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery	
Code	Category	kW's	kWh's		Recovered	Fixed monthly recovery		
AA1	Residential		9,126,833.00	0.005341	48,746.42	0.00	48,746.42	
AA2	Residential Seaforth		575,756.00	0.002988	1,720.36	0.00	1,720.36	
AA3	Residential Hensall		294,836.00	0.001391	410.12	0.00	410.12	
AA4	Residential Seaforth		0.00		0.00		0.00	
AA5	Residential St. Marys		0.00		0.00		0.00	1,226,572.00
								102,214.33
CCC/ZCC	General Service < 50 kWh		5,270,052.00	0.003241	17,080.24	0.00	17,080.24	
GEN	General Service < 50 kWh		78,796.00	0.003241	255.38	0.00	255.38	
CCC	General Service < 50 kWh	0.00		0.003241		0.00		
FFF	General Service > 50 kWh		0.00					
FF1	General Service > 50 kWh		0.00					
FF2	General Service > 50 kWh		0.00					
FFF	General Service > 50 kWh	13,099.31		0.221506	2,901.58	0.00	2,901.58	
FF1	General Service > 50 kWh	16,807.68		0.221506	3,723.00	0.00	3,723.00	
FF2	General Service > 50 kWh	39,517.09		0.221506	8,753.27	0.00	8,753.27	
ZFF/ZFF1		2,401.29		0.221506	531.90	0.00	531.90	
FAG	TOU - On		0.00					
FA1	TOU - Off							
FAG	TOU	7,192.31		0.064863	466.51	0.00	466.51	
HEN	TOU - On		0.00					
HR1	TOU - Off							
HEN	TOU	3,039.56		0.615519	1,870.91	0.00	1,870.91	
REL	TOU - On		0.00					
REL	TOU	516.82		1.163755	601.45	0.00	601.45	
	Street Lighting - Winter							
	Street Lighting Summer							
LGH	Street Lighting TOU	878.75	0.00	0.631601	555.02	0.00	555.02	
	Sentinel Lighting	37.13	0.00	1.801770	66.91	0.00	66.91	
Totals		83,489.94	15,346,273.00		87,683.06	0.00	87,683.06	
		83,489.94	15,346,273.00					
		(37.13)	174.00	SLR				
		83,452.81	15,346,447.00					

Festival Hydro Inc.
2004 PIL Recovery
Period: Oct 2004

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery	
Code	Category	kW's	kWh's		Recovered	Fixed monthly recovery		
AA1	Residential		9,359,549.00	0.005341	49,989.35	0.00	49,989.35	
AA2	Residential Seaforth		583,574.00	0.002988	1,743.72	0.00	1,743.72	
AA3	Residential Hensall		292,605.00	0.001391	407.01	0.00	407.01	
AA4	Residential Seaforth		0.00		0.00		0.00	
AA5	Residential St. Marys		0.00		0.00		0.00	1,226,572.00
								102,214.33
CCC/ZCC	General Service < 50 kWh		5,643,738.00	0.003241	18,291.35	0.00	18,291.35	
GEN	General Service < 50 kWh		78,796.00	0.003241	255.38	0.00	255.38	
CCC	General Service < 50 kWh	0.00		0.003241		0.00		
FFF	General Service > 50 kWh		0.00					
FF1	General Service > 50 kWh		0.00					
FF2	General Service > 50 kWh		0.00					
FFF	General Service > 50 kWh	13,784.23		0.221506	3,053.29	0.00	3,053.29	
FF1	General Service > 50 kWh	17,255.45		0.221506	3,822.19	0.00	3,822.19	
FF2	General Service > 50 kWh	40,242.41		0.221506	8,913.94	0.00	8,913.94	
ZFF/ZFF1		2,490.97		0.221506	551.76	0.00	551.76	
FAG	TOU - On		0.00					
FA1	TOU - Off							
FAG	TOU	7,262.08		0.064863	471.04	0.00	471.04	
HEN	TOU - On		0.00					
HR1	TOU - Off							
HEN	TOU	3,061.64		0.615519	1,884.50	0.00	1,884.50	
REL	TOU - On		0.00					
REL	TOU	355.19		1.163755	413.35	0.00	413.35	
	Street Lighting - Winter							
	Street Lighting Summer							
LGH	Street Lighting TOU	878.62	0.00	0.631601	554.94	0.00	554.94	
	Sentinel Lighting	37.13	0.00	1.801770	66.91	0.00	66.91	
Totals		85,367.72	15,958,262.00		90,418.73	0.00	90,418.73	
		85,367.72	15,958,262.00					
		(37.13)	174.00	SLR				
		85,330.59	15,958,436.00					

Festival Hydro Inc.
2004 PIL Recovery
Period: Sep 2004

Festival		Actuals per the billing registers		Amount			Total recovery
Code	Category	kW's	kWh's	Recovery Rate	Recovered	Fixed monthly recovery	
AA1	Residential		9,784,948.00	0.005341	52,261.41	0.00	52,261.41
AA2	Residential Seaforth		615,337.00	0.002988	1,838.63	0.00	1,838.63
AA3	Residential Hensall		315,152.00	0.001391	438.38	0.00	438.38
AA4	Residential Seaforth		0.00		0.00		0.00
AA5	Residential St. Marys		0.00		0.00		0.00
							1,226,572.00
							102,214.33
CCC/ZCC	General Service < 50 kWh		5,834,134.00	0.003241	18,908.43	0.00	18,908.43
GEN	General Service < 50 kWh		78,796.00	0.003241	255.38	0.00	255.38
CCC	General Service < 50 kWh	0.00		0.003241		0.00	
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,304.01		0.221506	2,946.92	0.00	2,946.92
FF1	General Service > 50 kWh	16,792.93		0.221506	3,719.73	0.00	3,719.73
FF2	General Service > 50 kWh	40,029.50		0.221506	8,866.77	0.00	8,866.77
ZFF/ZFF1		2,469.41		0.221506	546.99	0.00	546.99
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,368.03		0.064863	477.91	0.00	477.91
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,017.83		0.615519	1,857.53	0.00	1,857.53
REL	TOU - On		0.00				
REL	TOU	403.20		1.163755	469.23	0.00	469.23
	Street Lighting - Winter						
	Street Lighting Summer						
LGH	Street Lighting TOU	872.63	0.00	0.631601	551.15	0.00	551.15
	Sentinel Lighting	(37.10)	0.00	1.801770	(66.85)	0.00	(66.85)
Totals		84,220.44	16,628,367.00		93,071.60	0.00	93,071.60
		84,257.54					
		(37.10)					
		84,220.44					

Festival Hydro Inc.
2004 PIL Recovery
Period: Aug 2004

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery	
Code	Category	kW's	kWh's		Recovered	Fixed monthly recovery		
AA1	Residential		10,175,744.00	0.005341	54,348.65	0.00	54,348.65	
AA2	Residential Seaforth		551,721.00	0.002988	1,648.54	0.00	1,648.54	
AA3	Residential Hensall		301,781.00	0.001391	419.78	0.00	419.78	
AA4	Residential Seaforth		0.00		0.00		0.00	
AA5	Residential St. Marys		0.00		0.00		0.00	1,226,572.00
								102,214.33
CCC/ZCC	General Service < 50 kWh		5,920,824.50	0.003241	19,189.39	0.00	19,189.39	
GEN	General Service < 50 kWh		78,796.00	0.003241	255.38	0.00	255.38	
CCC	General Service < 50 kWh	0.00		0.003241		0.00		
FFF	General Service > 50 kWh		0.00					
FF1	General Service > 50 kWh		0.00					
FF2	General Service > 50 kWh		0.00					
FFF	General Service > 50 kWh	12,746.38		0.221506	2,823.40	0.00	2,823.40	
FF1	General Service > 50 kWh	16,228.04		0.221506	3,594.61	0.00	3,594.61	
FF2	General Service > 50 kWh	39,692.33		0.221506	8,792.09	0.00	8,792.09	
ZFF/ZFF1		2,424.20		0.221506	536.97	0.00	536.97	
FAG	TOU - On		0.00					
FA1	TOU - Off							
FAG	TOU	7,000.62		0.064863	454.08	0.00	454.08	
HEN	TOU - On		0.00					
HR1	TOU - Off							
HEN	TOU	3,236.48		0.615519	1,992.11	0.00	1,992.11	
REL	TOU - On		0.00					
REL	TOU	460.85		1.163755	536.32	0.00	536.32	
	Street Lighting - Winter							
	Street Lighting Summer							
LGH	Street Lighting TOU	877.19	0.00	0.631601	554.03	0.00	554.03	
	Sentinel Lighting	36.73	0.00	1.801770	66.19	0.00	66.19	
Totals		82,702.82	17,028,866.50		95,211.54	0.00	95,211.54	
		82,666.09						
		36.73						
		<u>82,702.82</u>						

Festival Hydro Inc.
2004 PIL Recovery
Period: Jul 2004

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered	Fixed monthly recovery	
AA1	Residential		9,597,817.00	0.005341	51,261.94	0.00	51,261.94
AA2	Residential Seaforth		590,460.00	0.002988	1,764.29	0.00	1,764.29
AA3	Residential Hensall		257,184.00	0.001391	357.74	0.00	357.74
AA4	Residential Seaforth		0.00		0.00		0.00
AA5	Residential St. Marys		0.00		0.00		0.00
CCC/ZCC	General Service < 50 kWh		5,720,243.00	0.003241	18,539.31	0.00	18,539.31
GEN	General Service < 50 kWh		78,796.00	0.003241	255.38	0.00	255.38
CCC	General Service < 50 kWh	0.00		0.003241		0.00	
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	13,240.70		0.221506	2,932.89	0.00	2,932.89
FF1	General Service > 50 kWh	16,665.23		0.221506	3,691.45	0.00	3,691.45
FF2	General Service > 50 kWh	40,431.12		0.221506	8,955.74	0.00	8,955.74
ZFF/ZFF1		2,516.00		0.221506	557.31	0.00	557.31
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,294.10		0.064863	473.12	0.00	473.12
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,100.26		0.615519	1,908.27	0.00	1,908.27
REL	TOU - On		0.00				
REL	TOU	430.44		1.163755	500.93	0.00	500.93
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	877.09	0.00	0.631601	553.97	0.00	553.97
	Sentinel Lighting	36.73	0.00	1.801770	66.19	0.00	66.19
Totals		84,591.67	16,244,500.00		91,818.52	0.00	91,818.52
		84,554.94					
		36.73					
		<u>84,591.67</u>					

Festival Hydro Inc.
2004 PIL Recovery
Period: Jun 2004

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered	Fixed monthly recovery	
AA1	Residential		8,625,001.00	0.005341	46,066.13	0.00	46,066.13
AA2	Residential Seaforth		537,345.00	0.002988	1,605.59	0.00	1,605.59
AA3	Residential Hensall		270,736.00	0.001391	376.59	0.00	376.59
AA4	Residential Seaforth		0.00		0.00		0.00
AA5	Residential St. Marys		0.00		0.00		0.00
CCC/ZCC	General Service < 50 kWh		5,031,461.00	0.003241	16,306.97	0.00	16,306.97
GEN	General Service < 50 kWh		78,796.00	0.003241	255.38	0.00	255.38
CCC	General Service < 50 kWh	0.00		0.003241		0.00	
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	12,779.23		0.221506	2,830.68	0.00	2,830.68
FF1	General Service > 50 kWh	16,729.47		0.221506	3,705.68	0.00	3,705.68
FF2	General Service > 50 kWh	40,365.55		0.221506	8,941.21	0.00	8,941.21
ZFF/ZFF1		2,412.93		0.221506	534.48	0.00	534.48
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	7,095.16		0.064863	460.21	0.00	460.21
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	3,024.44		0.615519	1,861.60	0.00	1,861.60
REL	TOU - On		0.00				
REL	TOU	407.55		1.163755	474.29	0.00	474.29
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	877.09	0.00	0.631601	553.97	0.00	553.97
	Sentinel Lighting	36.73	0.00	1.801770	66.19	0.00	66.19
Totals		83,728.15	14,543,339.00		84,038.96	0.00	84,038.96

Festival Hydro Inc.
2004 PIL Recovery
Period: May 2004

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		9,914,104.00	0.005341	52,951.23	0.00	52,951.23
AA2	Residential Seaforth		673,106.00	0.002988	2,011.24	0.00	2,011.24
AA3	Residential Hensall		348,881.00	0.001391	485.29	0.00	485.29
AA4	Residential Seaforth		0.00		0.00		0.00
AA5	Residential St. Marys		0.00		0.00		0.00
CCC/ZCC	General Service < 50 kWh		5,744,868.00	0.003241	18,619.12	0.00	18,619.12
GEN	General Service < 50 kWh		78,796.00	0.003241	255.38	0.00	255.38
CCC	General Service < 50 kWh	0.00		0.003241		0.00	
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	12,633.16		0.221506	2,798.32	0.00	2,798.32
FF1	General Service > 50 kWh	15,950.48		0.221506	3,533.13	0.00	3,533.13
FF2	General Service > 50 kWh	39,892.52		0.221506	8,836.43	0.00	8,836.43
ZFF/ZFF!	General Service > 50 kWh Standby Service	2,065.71		0.221506	457.57	0.00	457.57
FAG	TOU - On						
FA1	TOU - Off						
FAG	TOU	6,631.36		0.064863	430.13	0.00	430.13
HEN	TOU - On						
HR1	TOU - Off						
HEN	TOU	3,257.32		0.615519	2,004.94	0.00	2,004.94
REL	TOU - On						
REL	TOU	403.96		1.163755	470.11	0.00	470.11
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	879.96	0.00	0.631601	555.78	0.00	555.78
	Sentinel Lighting	38.03		1.801770	68.53	0.00	68.53
Totals		81,752.50	16,759,755.00		93,477.20	0.00	93,477.20

Balance per report

Festival Hydro Inc.
2004 PIL Recovery
Period: Apr 2004

Festival		Actuals per the billing registers		Recovery Rate	Amount		Total recovery
Code	Category	kW's	kWh's		Recovered Variable	Fixed monthly recovery	
AA1	Residential		2,947,883.00	0.005341	15,744.64	0.00	15,744.64
AA2	Residential Seaforth		183,559.75	0.002988	548.48	0.00	548.48
AA3	Residential Hensall		93,371.50	0.001391	129.88	0.00	129.88
AA4	Residential Seaforth		0.00				
AA5	Residential St. Marys		0.00				
CCC	General Service < 50 kWh		1,568,718.50	0.003241	5,084.22	0.00	5,084.22
GEN	General Service < 50 kWh		19,249.00	0.003241	62.39	0.00	62.39
CCC	General Service < 50 kWh		11,085.25	0.003241	35.93	0.00	35.93
FFF	General Service > 50 kWh		0.00				
FF1	General Service > 50 kWh		0.00				
FF2	General Service > 50 kWh		0.00				
FFF	General Service > 50 kWh	3,406.07		0.221506	754.47	0.00	754.47
FF1	General Service > 50 kWh	3,835.75		0.221506	849.64	0.00	849.64
FF2	General Service > 50 kWh	9,634.86		0.221506	2,134.18	0.00	2,134.18
ZFG	Retailer billed	517.38		0.221506	114.60	0.00	114.60
FAG	TOU - On		0.00				
FA1	TOU - Off						
FAG	TOU	1,684.01		0.064863	109.23	0.00	109.23
HEN	TOU - On		0.00				
HR1	TOU - Off						
HEN	TOU	740.25		0.615519	455.64	0.00	455.64
REL	TOU - On		0.00				
REL	TOU	118.82		1.163755	138.28	0.00	138.28
LGH	Street Lighting - Winter						
	Street Lighting Summer						
	Street Lighting TOU	219.24		0.631601	138.47	0.00	138.47
	Sentinel Lighting *****	0.00	3,499.14	1.801770	0.00	0.00	0.00
Totals		20,156.37	4,827,366.14		26,300.03	0.00	26,300.03

***** - Dec includes a 2,602.11 adjustment for streelighting
billed at kWh in the earlier months and converted to kW consumption
in month of Dec

***** Dec includes unbilled sent light kwh converted to kW consumption
of 42.66 kW

Festival Hydro Inc.
2002 PIL Recovery
Determination of amount to be recovered

Festival		From Form 6 of the PIL calculation		From Form 6 Amount to be recovered via rates-Total	From Form 6 Amount to be recovered via rates - Variable	Variable charge Amount to be recovered per kW's	per kWh's	Monthly budgeted amount to be recovered		From Form 6 Amount to be recovered via rates - Fixed	Fixed amount being recovered monthly
Code	Category	kW's	kWh's					kW's	kWh's		
AA1/AA5	Residential		125,399,384.00	580,908.73	290,454.37		0.00232		10,449,948.67	290,454.36	24,204.53
AA2/AA4	Residential Seaforth		7,685,310.00	24,043.00	22,359.99		0.00291		640,442.50	1,683.01	140.25
AA3	Residential Hensall		4,099,937.00	6,155.00	246.20		0.00006		341,661.42	5,908.80	492.40
AA4											
AA5										0.00	
CCC	General Service < 50 kWh		70,701,786.00	213,675.33	106,837.66		0.00151		5,891,815.50	106,837.67	8,903.14
GEN	General Service < 50 kWh		0.00								
CCC	General Service < 50 kWh	0.00									
FFF	General Service > 50 kWh		0.00								
FF1	General Service > 50 kWh		0.00								
FF2	General Service > 50 kWh		0.00								
FFF	General Service > 50 kWh	849,437.00		315,187.42	220,631.20	0.25974		70,786.42		94,556.22	7,879.69
FF1	General Service > 50 kWh	0.00									
FF2	General Service > 50 kWh	0.00									
	Standby Service										
FAG	TOU - On		0.00								
FA1	TOU - Off		0.00								
FAG	TOU	84,764.00	0.00	28,268.70	8,508.88	0.10038		7,063.67		19,759.82	1,646.65
HEN	TOU - On		0.00								
HR1	TOU - Off		0.00								
HEN	TOU	39,294.00		27,705.36	19,393.75	0.49355		3,274.50		8,311.61	692.63
REL	TOU - On		0.00								
REL	TOU	22,870.00		22,965.68	16,075.98	0.70293		1,905.83		6,889.70	574.14
	Street Lighting - Winter										
	Street Lighting Summer										
LGH	Street Lighting TOU	10,600.00		6,806.34	2,041.90	0.19263		883.33		4,764.44	397.04
	Sentinel Lighting	533.00		856.44	257.79	0.48366		44.42		598.65	49.89
	Totals	1,007,498.00	207,886,417.00	1,226,572.00	686,807.72					539,764.28	44,980.36
	Balance per report	1,007,498.00	207,886,417.00	1,226,572.00	686,807.72			83,958.17	17,323,868.08	539,764.29	44,980.36
								x 12 mths	x 12 mths		x 12 mths
		0.00	0.00	0.00				<u>1,007,498.00</u>	<u>207,886,417.00</u>		<u>539,764.28</u>

Financial Statements of

FESTIVAL HYDRO INC.

Year ended December 31, 2004

AUDITORS' REPORT

To the Shareholder of Festival Hydro Inc.:

We have audited the balance sheet of Festival Hydro Inc. as at December 31, 2004 and the statements of earnings and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company'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 Festival Hydro Inc. 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.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font. Below the text, there is a long, horizontal, slightly curved line that extends to the right, ending in a small arrowhead.

Chartered Accountants

London, Canada

March 18, 2005

FESTIVAL HYDRO INC.

Balance Sheet

December 31, 2004, with comparative figures for 2003

	2004	2003
Assets		
Current assets:		
Cash	\$ 6,157,496	\$ 6,003,841
Accounts receivable	2,257,267	3,301,120
Inventory	823,617	994,874
Prepaid expenses	139,900	206,246
Payments in lieu of corporate taxes recoverable (note 8)	156,737	-
Unbilled revenue	4,770,087	4,304,302
	14,305,104	14,810,383
Treasury bills (note 14(a))	1,815,681	1,832,932
Property, plant and equipment (note 3)	28,175,014	27,632,957
Regulatory assets, net (note 4)	-	433,100
Goodwill	515,359	515,359
Prepaid pension costs	117,000	117,000
Future payments in lieu of income taxes (note 8)	1,683,000	1,469,000
Organization costs, net of accumulated amortization of \$134,638 (2003 - \$104,577)	165,962	196,023
	\$ 46,777,120	\$ 47,006,754

Liabilities and Shareholder's Equity

Current liabilities:		
Accounts payable	\$ 5,501,329	\$ 5,473,734
Due to the Corporation of the City of Stratford	961,072	970,602
Payments in-lieu of corporate taxes (note 8)	-	1,120,284
Accrued vacation, wages and benefits	252,331	256,848
Demand notes payable (note 5)	15,600,000	15,600,000
Current portion of customer deposits	329,118	117,349
Due to Festival Hydro Services Inc. (note 13)	76,649	7,375
	22,720,499	23,546,192
Regulatory liability, net (note 4)	209,749	-
Post employment benefits (note 6)	1,152,145	1,109,000
Customer deposits	267,527	119,519
Shareholder's equity:		
Share capital (note 7)	19,637,111	19,637,111
Retained earnings	2,790,089	2,594,932
	22,427,200	22,232,043
Commitments (note 14)		
	\$ 46,777,120	\$ 47,006,754

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

FESTIVAL HYDRO INC.

Statement of Earnings and Retained Earnings

Year ended December 31, 2004, with comparative figures for 2003

	2004	2003
Revenue:		
Power	\$ 7,798,380	\$ 8,115,253
Interest	211,315	275,802
Miscellaneous	147,977	217,939
Late payment and other customer charges	112,792	118,232
Rentals	106,946	106,322
	8,377,411	8,833,548
Expenses:		
Operating and maintenance	1,044,020	935,463
Billing, data processing and collection	925,643	893,304
Administrative	1,203,741	1,257,857
Amortization of property, plant and equipment	2,147,646	2,010,757
Amortization of organization costs	30,061	30,060
	5,351,111	5,127,441
Earnings before the undernoted	3,026,300	3,706,107
Interest expense	1,148,186	1,134,066
Earnings before payments in lieu of income taxes	1,878,114	2,572,041
Provision for payments in lieu of income taxes (note 8):		
Current	871,000	1,234,000
Future	(214,000)	(544,000)
	657,000	690,000
Net earnings	1,221,114	1,882,041
Retained earnings, beginning of year (note 2)	2,594,932	1,738,763
Dividends paid	(1,025,957)	(1,025,872)
Retained earnings, end of year	\$ 2,790,089	\$ 2,594,932

See accompanying notes to financial statements.

FESTIVAL HYDRO INC.

Statement of Cash Flows

Year ended December 31, 2004, with comparative figures for 2003

	2004	2003
Cash provided by (used in):		
Operating activities:		
Net earnings	\$ 1,221,114	\$ 1,882,041
Adjustments for:		
Amortization	2,177,707	2,040,817
Payments in lieu of future income taxes	(214,000)	(544,000)
Change in non-cash operating working capital (note 12)	(378,528)	1,890,746
	2,806,293	5,269,604
Financing activities:		
Treasury bills	17,251	513,323
Customer deposits	359,777	44,343
Post employment benefits	43,145	70,000
Dividends paid	(1,025,957)	(1,025,872)
	(605,784)	(398,206)
Investing activities:		
Purchase of property, plant and equipment and plant retirement	(2,689,703)	(2,317,879)
Regulatory assets	642,849	586,860
	(2,046,854)	(1,731,019)
Increase in cash	153,655	3,140,379
Cash, beginning of year	6,003,841	2,863,462
Cash, end of year	\$ 6,157,496	\$ 6,003,841
Supplemental cash flow information:		
Taxes paid	\$ 2,284,151	\$ 930,427
Interest paid	1,141,699	1,133,986

See accompanying notes to financial statements.

FESTIVAL HYDRO INC.

Notes to Financial Statements

Year ended December 31, 2004

Festival Hydro Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) pursuant to Section 142 of the Electricity Act 1998 on July 11, 2000. The Corporation of the City of Stratford (the "City") passed a bylaw pursuant to Section 145 of the Electricity Act 1998 transferring certain assets and liabilities used in connection with the sale of electricity and electrical distribution systems from the Stratford Public Utility Commission – Electric Department (the "Corporation"). In exchange for these assets the City received a promissory note and 10,001 common shares. This business is regulated by the Ontario Energy Board ("OEB").

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") including accounting principles prescribed by the OEB in the handbook Accounting Procedures Handbook for Electric Distribution Utilities ("AP Handbook") and reflect the significant accounting policies as summarized below:

(a) Revenue recognition:

In accordance with OEB regulation, the Company recognizes as revenue the regulated distribution tariffs associated with energy distributed and variances between energy purchase costs and energy billed are recorded as regulatory assets or liabilities for future rate application consideration.

The Company follows the practice of cycle billing customers' accounts and revenue is recognized in the period billed. An accrual is made in the accounts at December 31, for power supplied but not billed to customers between the date the meters were last read and the end of the year.

(b) Inventory:

Inventory consists of parts, supplies and material held for the future capital expansion and are valued at the lower of average weighted cost and net realizable value.

(c) Organization costs:

Costs incurred for the amalgamation of the corporations, 1438188 Ontario Inc., 1438189 Ontario Inc., 1438190 Ontario Inc., 1438191 Ontario Inc., 1438192 Ontario Inc., 1438193 Ontario Inc. and Festival Hydro Inc., are being amortized over ten years on a straight-line basis.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

1. Significant accounting policies (continued):

(d) Property, plant and equipment:

Property, plant and equipment assets are recorded in the accounts at cost and are amortized on a straight-line basis at varying rates estimated to write-off the cost of each asset over its useful life. The assets and rates are as follows.

Asset	Rate
Distribution lines, underground	4 %
Distribution lines, overhead	4 %
Transformers	4 %
Meters	4 %
Buildings	2 %
Transportation equipment	12.5 or 20 %
Transmission, underground	4 %
Computer equipment	20 %
Office equipment	10 %
Miscellaneous assets	10 %

Maintenance and repair items are expensed as incurred. Additions, renewals or betterments are capitalized. Any normal gain or loss on sale or retirement of buildings or equipment is included in operating revenues/costs in the year of disposal.

(e) Post employment benefits:

Employee future benefits provided by Festival Hydro Inc. include medical and life insurance benefits. These plans provide benefits to certain employees when they no longer provide active service. Employee future benefit expense is recognized in the period in which the employees render the services.

Employee future benefits are recorded on an accrual basis. The accrued benefit obligations and current service costs are calculated using the projected benefits method pro-rated on service and based on assumptions that reflect management's best estimate. 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. Actuarial gains (losses) are amortized into expense over the average remaining service period of active employees to full eligibility.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

1. Significant accounting policies (continued):

(f) Payments-in-lieu of corporate income taxes and capital taxes:

The current tax-exempt status of the Company under the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) reflects the fact that the Company is wholly owned by a municipality. This tax-exempt status might be lost in a number of circumstances, including if the municipality ceases to own 90% or more of the shares or capital of the Company, or if a non-government entity has rights immediately or in the future, either absolutely or contingently, to acquire more than 10% of the shares of the Company.

Commencing October 1, 2001, the Company is required, under the Electricity Act, 1998 to make payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation. 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.

As a result of becoming subject to payments in lieu of corporate income taxes ("PILs"), the Company's taxation year was deemed to have ended immediately beforehand and a new taxation year was deemed to have commenced immediately thereafter. The Company was therefore deemed to have disposed of each of its assets at their then fair market value and to have reacquired such assets at that same amount for purposes of computing its future income subject to PILs. For purposes of certain provisions, the Company was deemed to be a new company and, as a result, tax credits or tax losses not previously utilized by the Company would not be available to it after the change in tax status. Essentially, the Company was taxed as through it had a "fresh start" at the time of its change in tax status.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

1. Significant accounting policies (continued):

(g) Contributed capital:

Prior to January 1, 2000, contractor's capital contributions toward the construction or acquisition of capital assets by the Corporation were referred to as miscellaneous paid-in capital and disclosed as a permanent component of utility equity.

Effective May 1, 2000, the Company prospectively adopted the change in accounting policy for contributions received in aid of construction (contributed capital), as prescribed by the OEB "Accounting Procedures Handbook for Electric Distribution Utilities". Contributed capital contributions are required contributions received from outside sources, used to finance additions to capital assets. Contributed capital contributions received are treated as a "credit" contra account included in the determination of capital assets. The amount is subsequently amortized by a charge to accumulated amortization and a credit to amortization expense, at an equivalent rate to that used for the amortization of the related capital assets.

(h) Customers deposits:

Customer deposits are cash collections from customers to guarantee the payment of energy bills. Deposits expected to be refunded to customers within the next fiscal year are classified as a current liability.

(i) Goodwill:

Goodwill represents the excess of cost over fair value of net assets of businesses acquired. The carrying value of goodwill is evaluated for impairment on an annual basis, or more frequently if circumstances require, with any write-down of the carrying value of goodwill being charged against the results of operations. The Company has determined that goodwill is not impaired.

(j) Related party transactions:

Transactions with related parties represent the culmination of the earnings process and are measured at the exchange amount agreed to by the parties.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

1. Significant accounting policies (continued):

(k) Financial instruments:

The Company's financial instruments consist of accounts receivable, bank borrowings and accounts payable. Management is of the opinion that the fair values of all financial assets and liabilities are not materially different from their carrying values.

The carrying value of the demand notes payable approximate their fair value as repayment of the demand note is indefinite at this time.

(l) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Change in accounting policy:

Effective January 1, 2004, and in accordance with the recommendation of CICA, the Company retroactively adopted the liability method for accounting for income taxes and rested prior period amounts. Under this method, future income tax assets and liabilities are recognized for differences between the financial statement carrying amounts of existing assets and liabilities and their respective values for income tax purposes. These differences are measured using substantively enacted tax rates in effect in the period in which those differences are expected to be recovered or settled. To the extent that there is uncertainty regarding the recovery of a future income tax asset, a valuation allowance reducing the future income tax assets is recorded. This change in accounting policy resulted in a retroactive increase as at December 31, 2002, to both long-term future income tax assets and retained earnings in the amount of \$848,000.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

3. Property, plant and equipment:

		2004		2003
	Cost	Accumulated amortization	Net book value	Net book value
Distribution lines, underground	\$ 18,682,250	\$ 9,524,989	\$ 9,157,261	\$ 9,449,166
Distribution lines, overhead	14,481,217	5,511,979	8,969,238	7,967,604
Transformers	11,205,821	5,753,802	5,452,019	5,451,157
Services	3,678,254	1,681,936	1,996,318	1,912,041
Meters	3,097,146	1,712,124	1,385,022	1,215,709
Buildings	2,162,947	867,607	1,295,340	1,306,421
Transportation equipment	2,288,831	1,972,812	316,019	192,351
Distribution equipment	1,697,625	1,112,922	584,703	630,376
Computer equipment	1,311,205	1,024,873	286,332	322,776
Miscellaneous assets	431,506	362,849	68,657	120,543
Office equipment	599,660	487,738	111,922	85,478
Contributions, capital	(1,630,551)	(182,734)	(1,447,817)	(1,020,665)
	\$ 58,005,911	\$ 29,830,897	\$ 28,175,014	\$ 27,632,957

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

4. Regulatory assets/liabilities:

Regulatory assets and liabilities arise as a result of the rate-setting process. Festival Hydro Inc. has recorded the following assets and liabilities:

	2004	2003
Assets:		
Conservation and Demand Side Management costs	\$ 1,449	\$ -
Post-market opening retail settlement variances:		
Wholesale market charges	903,643	850,097
Cost of power variance	(461,254)	49,401
Retail settlement variance accounts	165,954	116,934
Deferred payments in lieu of corporate income taxes	65,309	50,953
Commodity rebate costs	39,807	28,183
Qualifying transitional costs recoverable:		
Transition costs	280,719	273,738
	995,627	1,369,306
Liabilities:		
Post-market opening transmission network and connection charges	(459,915)	(546,564)
Pre-market opening cost of power variance	(182,229)	(182,229)
	(642,144)	(728,793)
Less provision for unrecoverable interest	(230,244)	(207,413)
Recovery of regulatory assets	(332,988)	-
	(563,232)	(207,431)
	\$ (209,749)	\$ 433,100

Regulatory assets represent costs incurred by the Corporation for the purpose of supporting the deregulation of the electricity industry in Ontario. These amounts have been accumulated pursuant to regulation underlying the EA and deferred in anticipation of their future recovery in electricity distribution service charges.

Qualifying transitional costs recoverable - represent specific and incremental costs to the Corporation for systems and process changes to support the opening of the competitive electricity market in Ontario on May 1, 2002 ("Market Opening").

Pre-market opening cost of power variance - represent the excess of the cost of the commodity electricity to the Corporation over the amount billed to its customers prior to Market Opening.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

4. Regulatory assets (continued):

Post-market opening retail settlement variances - represent amounts that have accumulated since Market Opening and comprise:

- (a) variances between amounts charged by the Independent Electricity System Operator ("IESO") for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission and network charges, and the amounts billed to customers by the Corporation based on the OEB approved wholesale market service rate; and
- (b) variances between the amounts charged by the IESO to allow for purchases of electricity and the amounts billed to customers by the Corporation based on OEB approved rates; and
- (c) deferred payments in lieu of income taxes – represent variances that result from the difference between OEB approved PILs recoverable in electricity distribution service charges and the actual amount of these charges to customers that relates to the recovery of PILs.
- (d) Conservation and demand side management variances - On October 5, 2004, the OEB assured a procedural order establishing Account 1565, Conservation and Demand Management Expenditures and Recoveries. This deferral account was established to record the costs conservation and demand management activities and investment expenditures and related revenues.

Restructuring of the electricity industry in Ontario

The Ontario Energy Board Act, 1998 (Ontario) ("OEBA"), conferred on the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity consumers, and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions to electricity distributors which may include, among other things, specified accounting records, regulatory accounting principles, separation of accounts for distinct businesses and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory treatments that may result in accounting treatments that differ from Canadian GAAP for enterprises operating in a non-rate regulated environment.

In response to volatile and rising electricity prices in 2002, the Province of Ontario enacted The Electricity Pricing, Conservation and Supply Act, 2002 ("EPCSA"). Under the EPCSA, the electricity distribution rates charged by the Corporation were effectively frozen at current levels until 2006. The EPCSA directed electricity distribution utilities, such as the Corporation, to continue deferral of regulatory assets.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

4. Regulatory assets (continued):

Restructuring of the electricity industry in Ontario (continued)

On December 18, 2003, a newly elected and currently ruling government in the Province passed legislation, the *Ontario Energy Board Amendment Act (Electricity Pricing)*, 2003 (the "Amendment Act"), which is based on a principle that the price of electricity should better reflect its true cost. The Amendment Act, effectively removed which has not yet been proclaimed in force, will effectively remove the cap on the commodity price of electricity imposed by the EPCSA in favour of an interim two tiered and fixed commodity price structure. For residential and small commercial customers, the fixed commodity price will be 4.7¢ per kWh for the first 750 kWh of consumption per month and 5.5¢ per kWh for any incremental monthly consumption thereafter. The interim structure will remain in place until no later than May 1, 2005.

In conjunction with the passing of the Amendment Act, the Minister of Energy issued a letter dated December 19, 2003 (the "Minister's Letter") stating an intention to allow electricity distribution companies to recover regulatory assets and proceed to earn the original, full regulatory rate of return as follows:

- Commencing in fiscal 2004, electricity distribution companies were permitted through a rate filing with the OEB in accordance with its prescribed rate filing guidelines, to request rate increases to permit the recovery of regulatory assets over a four year period. The Corporation filed a rate application with the OEB in January, 2004 and commenced recovery of its regulatory assets over a four year period commencing April 1, 2004 with such recovery subject to the OEB's approval following its review of these amounts.
- Commencing March 1, 2005, electricity distribution companies will be permitted to adjust rates to achieve the full theoretical regulatory rate of return, currently 9.88%. However, the Minister's Letter imposes a condition the electricity distribution companies invest the equivalent of one year of the amount of the adjustment in conservation and demand side management initiatives, to be prescribed in future regulation.
- The Corporation filed a rate application with the OEB in January, 2005 requesting that rates be adjusted to collect the full rate of return with the remaining portion to be used for conservation and demand side management initiatives.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

5. Demand notes payable:

	2004	2003
Demand notes payable to shareholder bearing interest at 7.25% per annum, with interest payments only, due on demand	\$ 15,600,000	\$ 15,600,000

Interest paid on the promissory notes for the year ended December 31 was \$1,131,000 (2003 - \$1,131,000).

6. Post employment benefits:

Information about Festival Hydro Inc.'s defined benefit plans is as follows:

	2004	2003
Accrued benefit obligation:		
Balance, end of prior year	\$ 1,109,000	\$ 1,039,000
Service cost	29,898	28,000
Interest cost	61,317	59,000
Actuarial loss	-	29,000
Benefits paid	(48,070)	(46,000)
Projected accrued benefit obligation, end of year	\$ 1,152,145	\$ 1,109,000
Components of net periodic benefit cost:		
Service cost	\$ 29,898	\$ 28,000
Interest cost	61,317	59,000
Amortization of actuarial losses	-	29,000
Net periodic benefit cost	\$ 91,215	\$ 116,000

An adjustment was made to set up a deferred charge of \$117,000 as at December 31, 2001 to reflect additional past service costs arising from the September 7, 2001 amalgamation which were discovered during the 2002 actuarial valuation. When employees retire, this amount will be reduced by charges to operations.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

7. Share capital:

	2004	2003
Authorized:		
Unlimited Class A special shares, non-cumulative, 5.0%		
Unlimited Class B special shares		
Unlimited common shares		
Issued:		
6,100 Class A special shares	\$ 6,100,000	\$ 6,100,000
10,001 common shares	13,537,111	13,537,111
	<u>\$ 19,637,111</u>	<u>\$ 19,637,111</u>

Dividends paid on the 6,100 Class A special shares during 2004 totaled \$305,000 (2003 - \$305,000). Dividends paid on the 10,001 common shares during 2004 totaled \$720,957 (2003 - \$720,872).

8. Payments in lieu of income taxes:

The provision for payment in lieu ("PILs") varies from amounts which would be computed by applying the Company's combined statutory income tax rate as follows:

	2004	2003
Basic rate applied to income before PILs - 36.1% (2003 - 33.6%)	\$ 678,000	\$ 942,000
Large corporations tax	-	30,000
Tax effect of change in tax rates	-	(285,000)
Tax effect of non-deductible expenses	5,000	17,000
Tax effect of non-taxable income	(49,000)	-
Other items	23,000	(14,000)
Tax provision	<u>\$ 657,000</u>	<u>\$ 690,000</u>

At year end, based on substantively enacted income tax rates, future income tax assets of \$1,683,000 (2003 - \$1,469,000) have been recorded. Such future income tax assets relate to tax basis of depreciable capital assets in excess of amounts recorded for accounting purposes. Such future tax assets have been recorded in the accounts.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

9. Pension agreements:

Effective February 1, 1989, the Festival Hydro Inc. commenced participation in the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer plan, for all active employees at that date as well as for all new employees. As of December 31, 2004, there were forty-six active employees. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on their length of service and rates of pay.

Beginning January 1, 2003, contributions were at a rate of 2.1% for employee earnings below the year's maximum pensionable earnings and 2.6% thereafter. Contributions by the Company for the year were \$164,413 (2003 – \$52,530). These rates increased to 6.0% and 8.8%, respectively, effective the first full pay of January, 2004. Rates for 2005 will be the same as 2004 rates.

10. Public liability insurance:

The Company is a member of the Municipal Electrical Association Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a pooling of public liability insurance risks of many of the municipal utilities in Ontario. All members of the pool are subject to assessment for losses experienced by the pool for the years in which they were members on a pro-rata basis based on the total of their respective service revenues. It is anticipated that should such an assessment occur it would be funded over a period of up to five years. As at December 31, 2004, no assessments have been made.

11. Credit risks:

Credit risk is the risk that a counterparty will fail to discharge its obligation to the Company reducing the expected cash inflow from Company assets recorded at the balance sheet date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions.

The Company has assessed that there are no significant concentrations of credit risk other than the present uncertainty relating to the recovery of regulatory assets. The final regulatory amount recoverable will be assessed in future years by the regulator after the audit of those costs.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

12. Change in non-cash operating working capital:

	2004	2003
Cash increase (decrease):		
Accounts receivable	\$ 1,043,853	\$ 459,722
Inventory	171,257	(94,829)
Prepaid expenses	66,346	22,707
Payment in lieu of income taxes	(1,277,021)	983,211
Unbilled revenue	(465,785)	(444,435)
Accounts payable	27,595	1,479,586
Accrued vacation, wages and benefits	(4,517)	326
Due to the Corporation of the City of Stratford	(9,530)	(577,236)
Due to Festival Hydro Services Inc.	69,274	61,694
	<u>\$ (378,528)</u>	<u>\$ 1,890,746</u>

13. Due to Festival Hydro Services Inc.

Festival Hydro Inc. performs all of the administrative functions for Festival Hydro Services Inc. All expenses and revenue are paid and received through Festival Hydro Inc. according to a service level agreement dated September 1, 2002.

Effective January 1, 2002, Festival Hydro Inc. commenced charging interest on the balance owing from Festival Hydro Services Inc. at an interest rate equivalent to the Royal Bank's prime lending rate. When Festival Hydro Services Inc. is in a deposit position with Festival Hydro Inc., interest is paid at the equivalent of Royal Bank Prime less 1.85%. Net interest paid by Festival Hydro Inc. for the year was \$2,659 (2003 – (\$321)). There are no terms of repayment on the balance owing.

Festival Hydro Inc. and Festival Hydro Services Inc. are both wholly owned by the Corporation of the City of Stratford.

14. Commitments:

(a) Prudential support:

As a purchaser of electricity through the IESO, Festival Hydro Inc. is required to provide security to minimize the risk of default, based on its expected activity in the market. The IESO may draw on this security if Festival Hydro Inc. fails to make payment required by a default notice issued by the IESO. In April, 2002, to satisfy this requirement, Festival Hydro Inc. provided the IESO with an irrevocable standby letter of credit in the amount of \$3,382,133 which renews automatically on an annual basis. In addition, a treasury bill with a value of \$1,815,681 (2003 - \$1,832,932) is held as collateral in the custody of the IESO.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2004

14. Commitments (continued):

(b) Operating lease obligations:

As at December 31, 2004, the future minimum annual property lease payments with remaining lease terms of two years are as follows:

2005	\$	12,000
2006		1,000
		\$ 13,000

(c) Connection and cost recovery agreement (CCRA):

Festival Hydro Inc. and Hydro One Networks Inc. entered into a 25 year capital cost recovery agreement ("CCRA") in September 2002 relating to Hydro One Networks Inc. building new feeder positions at the existing St. Marys Transformer Station. Under the terms of the agreement, Festival Hydro Inc. has guaranteed new load growth which if not met, would require Festival Hydro Inc. to provide a financial contribution toward the capital investment of the Transformer Station.

The CCRA is trued-up every five years. Any excess revenues will reduce the term of the agreement. Festival Hydro Inc. anticipates load growth will continue to exceed the target amounts prescribed in the CCRA and expect no financial contribution will be required under the agreement.

15. Related party transactions:

During the year and within the normal course of operations, the Company provided water and sewer billing and collection services to the City of Stratford. Revenue earned by the Company was \$336,503 (2003 - \$378,660).

The Company also leases space to the City of Stratford for which it earned revenue in the year of \$30,000 (2003 - \$30,360).

2005 PILS Support

	A	B	C	D	E
1	PILs TAXES - EB-2011-0167				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Festival Hydro Inc			<u>Colour Code</u>	
4	Reporting period: 2005			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Y	
20	shared among the corporate group?	LCT	Y/N	NA	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		91%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		91%	
23					
24	Accounting Year End		Date	12-31-2005	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			31,136,775	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,666,865	
42					
43	1999 return from RUD Sheet #7			681,997	681,997
44					
45	Total Incremental revenue			1,984,868	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			661,623	661,623
48	Amount allowed in 2002			661,623	661,623
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			661,623	661,623
52	Other Board-approved changes to MARR or incremental revenue			81,598	81,598
53					0
54	Total Regulatory Income				2,748,464
55					
56	Equity			15,568,388	
57					
58	Return at target ROE			1,538,157	
59					
60	Debt			15,568,388	
61					
62	Deemed interest amount in 100% of MARR			1,128,708	
63					
64	Phase-in of interest - Year 1 (2001)			568,666	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			848,687	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			848,687	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,128,708	
71					
72					

A	B	C	D	E	F	G	H
1 PILS TAXES - EB-2011-0167	ITEM	Initial		M of F	M of F	Tax	
2 PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3 TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4 ("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0					Version 2009.1	
6 Utility Name: Festival Hydro Inc							
7 Reporting period: 2005							
8						Column	
9 Days in reporting period:	365	days				Brought	
10 Total days in the calendar year:	365	days				From	
11						TAXREC	
12		\$		\$		\$	
13							
14 II) CORPORATE INCOME TAXES							
15							
16 Regulatory Net Income REGINFO E53	1	2,748,464		686,184		3,434,648	
17							
18 BOOK TO TAX ADJUSTMENTS							
19 Additions:							
20 Depreciation & Amortization	2	1,951,722		335,019		2,286,741	
21 Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22 Tax reserves - beginning of year	4			0		0	
23 Reserves from financial statements - end of year	4			1,240,577		1,240,577	
24 Regulatory Adjustments - increase in income	5			0		0	
25 Other Additions (See Tab entitled "TAXREC")							
26 "Material" Items from "TAXREC" worksheet	6			95,000		95,000	
27 Other Additions (not "Material") "TAXREC"	6			0		0	
28 "Material" Items from "TAXREC 2" worksheet	6			4,480		4,480	
29 Other Additions (not "Material") "TAXREC 2"	6			0		0	
30 Items on which true-up does not apply "TAXREC 3"				65,540		65,540	
31							
32 Deductions: Input positive numbers							
33 Capital Cost Allowance and CEC	7	1,358,147		253,624		1,611,771	
34 Employee Benefit Plans - Paid Amounts	8			0		0	
35 Items Capitalized for Regulatory Purposes	9	0		0		0	
36 Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37 Interest Expense Deemed/ Incurred	11	1,128,708		26,640		1,155,348	
38 Tax reserves - end of year	4			0		0	
39 Reserves from financial statements - beginning of year	4			1,152,145		1,152,145	
40 Contributions to deferred income plans	3			0		0	
41 Contributions to pension plans	3			0		0	
42 Interest capitalized for accounting but deducted for tax	11			0		0	
43 CDM 2005 incremental O&M expenses per 2005 PILs model (43% of \$760632)		126,779					
44 "Material" Items from "TAXREC" worksheet	12			229,739		229,739	
45 Other Deductions (not "Material") "TAXREC"	12			0		0	
46 Material Items from "TAXREC 2" worksheet	12			0		0	
47 Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48 Items on which true-up does not apply "TAXREC 3"				209,001		209,001	
49							
50 TAXABLE INCOME/ (LOSS)		2,086,552		555,651	Before loss C/F	2,768,982	
51							
52 BLENDED INCOME TAX RATE							
53 Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		0.0000%		36.12%	
54							
55 REGULATORY INCOME TAX		753,663		246,493	Actual	1,000,155	
56							
57							
58 Miscellaneous Tax Credits	14			6,959	Actual	6,959	
59							
60 Total Regulatory Income Tax		753,663		239,534	Actual	993,196	
61							
62							
63 III) CAPITAL TAXES							
64							
65 Ontario							
66 Base	15	31,136,775		8,637,900		39,774,675	
67 Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,365,000		-74,824		7,290,176	
68 Taxable Capital		23,771,775		8,563,076		32,484,499	
69							
70 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71							
72 Ontario Capital Tax		71,315		26,138		97,453	
73							
74 Federal Large Corporations Tax							
75 Base	18	31,136,775		4,291,111		35,427,886	
76 Less: Exemption - Tax Rates - Regulatory, Table 1; Actual, Table 3	19	45,312,500		3,187,500		48,500,000	
77 Taxable Capital		0		7,478,611		0	
78							
79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
80							
81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82 Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83							
84 Net LCT		0		0		0	
85							
86 III) INCLUSION IN RATES							
87							
88 Income Tax Rate used for gross- up (exclude surtax)		36.12%					
89							
90 Income Tax (proxy tax is grossed-up)	22	1,179,810			Actual 2005	993,196	
91 LCT (proxy tax is grossed-up)	23	0			Actual 2005	0	
92 Ontario Capital Tax (no gross-up since it is deductible)	24	71,315			Actual 2005	97,453	
93							
94							
95 Total PILs for Rate Adjustment -- MUST AGREE WITH 2005	25	1,251,125			Actual 2005	1,090,649	
96 RAM DECISION							
97							
98							
99 IV) FUTURE TRUE-UPS							
100 IV a) Calculation of the True-up Variance				DR/(CR)			
101 In Additions:							
102 Employee Benefit Plans - Accrued, Not Paid	3			0			
103 Tax reserves deducted in prior year	4			0			
104 Reserves from financial statements-end of year	4			1,240,577			
105 Regulatory Adjustments	5			0			
106 Other additions "Material" Items TAXREC	6			95,000			
107 Other additions "Material" Items TAXREC 2	6			4,480			
108 In Deductions - positive numbers							
109 Employee Benefit Plans - Paid Amounts	8			0			
110 Items Capitalized for Regulatory Purposes	9			0			
111 Regulatory Adjustments	10			0			
112 Interest Adjustment for tax purposes (See Below - cell I206)	11			26,640			
113 Tax reserves claimed in current year	4			0			
114 Reserves from F/S beginning of year	4			1,152,145			
115 Contributions to deferred income plans	3			0			
116 Contributions to pension plans	3			0			
117 Other deductions "Material" Items TAXREC	12			229,739			
118 Other deductions "Material" Item TAXREC 2	12			0			
119							
120 Total TRUE-UPS before tax effect	26		=	-68,467			
121							
122 Income Tax Rate (excluding surtax) from 2005 Utility's tax return			x	36.12%			

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2011-0167	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	(*Wires-only* business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Festival Hydro Inc							
7	Reporting period: 2005							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12			\$		\$		TAXREC	
13							\$	
123								
124	Income Tax Effect on True-up adjustments			=	-24,730			
125								
126	Less: Miscellaneous Tax Credits	14			6,959			
127								
128	Total Income Tax on True-ups				-31,689			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				(48,753)			
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	2,086,552			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	753,663			
141								
142	Less: Revised Miscellaneous Tax Credits			-	6,959			
143								
144	Total Revised Regulatory Income Tax			=	746,704			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	753,663			
147								
148	Regulatory Income Tax Variance			=	(6,959)			
149								
150	Ontario Capital Tax							
151	Base			=	31,136,775			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	23,636,775			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	70,910			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	71,315			
159	Regulatory Ontario Capital Tax Variance			=	(405)			
160								
161	Federal LCT							
162	Base			=	31,136,775			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	(18,863,225)			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176								
177	Income Tax (grossed-up)			+	(10,706)			
178	LCT (grossed-up)			+	0			
179	Ontario Capital Tax			+	(405)			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(11,111)			
182								
183	TRUE-UP VARIANCE (from cell I132)			+	(48,753)			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(59,864)			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				1,128,708			
194	Interest phased-in (Cell C37)				1,128,708			
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision				0			
197								
198								
199	Other Interest Variances (i.e. Borrowing Levels)							
200	Above Deemed Debt per Rate Handbook)							
201	Actual Interest deducted on MoF filing (Cell K36+K41)				1,155,348			
202	Deemed Interest				1,128,708			
203								
204	Variance caused by excess debt				26,640			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell E112)				26,640			
207								
208	Total Interest Variance				-26,640			
209								
210								
211								

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only		
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
4		0	Return				
5					Version 2009.1		
6	Section A: Identification:						
7	Utility Name: Festival Hydro Inc						
8	Reporting period: 2005						
9	Taxation Year's start date:						
10	Taxation Year's end date:						
11	Number of days in taxation year:		365	days			
12							
13	Please enter the Materiality Level :		0	< - enter materiality level			
14	(0.25% x Rate Base x CER)	Y/N	Y				
15	(0.25% x Net Assets)	Y/N	N				
16	Or other measure (please provide the basis of the amount)	Y/N	N				
17	Does the utility carry on non-wires related operation?	Y/N	Y				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)						
19							
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
21							
22	Section B: Financial statements data:						
23	Input unconsolidated financial statement data submitted with Tax returns.						
24	The actual categories of the income statements should be used.						
25	If required please change the descriptions except for amortization, interest expense and provision for income tax						
26							
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts						
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.						
29							
30	Income:						
31	Energy Sales	+	47,252,268		47,252,268		
32	Distribution Revenue	+	8,395,969		8,395,969		
33	Other Income	+	262,759		262,759		
34	Miscellaneous income	+	555,812	174,056	381,756		
35		+			0		
36	Revenue should be entered above this line						
37							
38	Costs and Expenses:						
39	Cost of energy purchased	-	47,252,268		47,252,268		
40	Administration	-	997,030		997,030		
41	Customer billing and collecting	-	945,877		945,877		
42	Operations and maintenance	-	1,188,720		1,188,720		
43	Amortization	-	2,286,741		2,286,741		
44	Other Interest Expense (customer deposit/IESO LC)	-	95,000		95,000		
45		-	92,468		92,468		
46		-			0		
47		-			0		
48		-			0		
49							
50	Net Income Before Interest & Income Taxes EBIT	=	3,608,704	174,056	3,434,648		
51	Less: Interest expense for accounting purposes	-	1,155,348		1,155,348		
52	Provision for payments in lieu of income taxes	-	925,000		925,000		
53	Net Income (loss)	=	1,528,356	174,056	1,354,300		
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)						
55							
56	Section C: Reconciliation of accounting income to taxable income						
57	From T2 Schedule 1						
58	BOOK TO TAX ADDITIONS:						
59	Provision for income tax	+	925,000	0	925,000		
60	Federal large corporation tax	+	0		0		
61	Depreciation & Amortization	+	2,286,741	0	2,286,741		
62	Employee benefit plans-accrued, not paid - CHECK	+	0	0	0		
63	Tax reserves - beginning of year	+	0	0	0		
64	Reserves from financial statements- end of year	+	1,240,577	0	1,240,577		
65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
66	Items on which true-up does not apply "TAXREC 3"		65,540	0	65,540		
67	Material addition items from TAXREC 2	+	4,480	0	4,480		
68	Other addition items (not Material) from TAXREC 2	+	0	0	0		
69							
70	Subtotal		4,522,338	0	4,522,338		
71							
72	Other Additions: (Please explain the nature of the additions)						
73	Recapture of CCA	+			0		
74	Non-deductible meals and entertainment expense	+			0		
75	Capital tax expensed	+	95,000		95,000		
76		+	0		0		
77		+			0		
78		+			0		
79		+			0		
80	Total Other Additions	=	95,000	0	95,000		
81							
82	Total Additions	=	4,617,338	0	4,617,338		
83							
84	Recap Material Additions:						

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only		
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
4		0	Return				
5					Version 2009.1		
85			0	0	0		
86			0	0	0		
87	Capital tax expensed		95,000	0	95,000		
88			0	0	0		
89			0	0	0		
90			0	0	0		
91			0	0	0		
92	Total Other additions >materiality level		95,000	0	95,000		
93	Other additions (less than materiality level)		0	0	0		
94	Total Other Additions		95,000	0	95,000		
95							
96	BOOK TO TAX DEDUCTIONS:						
97	Capital cost allowance	-	1,599,998		1,599,998		
98	Cumulative eligible capital deduction	-	11,773		11,773		
99	Employee benefit plans-paid amounts	-	0		0		
100	Items capitalized for regulatory purposes	-	0		0		
101	Regulatory adjustments :	-			0		
102	CCA	-			0		
103	other deductions	-			0		
104	Tax reserves - end of year	-	0	0	0		
105	Reserves from financial statements- beginning of year	-	1,152,145	0	1,152,145		
106	Contributions to deferred income plans	-			0		
107	Contributions to pension plans	-			0		
108	Items on which true-up does not apply "TAXREC 3"		209,001	0	209,001		
109	Interest capitalized for accounting deducted for tax	-			0		
110	Material deduction items from TAXREC 2	-	0	0	0		
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
112							
113	Subtotal	=	2,972,917	0	2,972,917		
114	Other deductions (Please explain the nature of the deductions)						
115	Charitable donations - tax basis	-			0		
116	Gain on disposal of assets	-	132,286		132,286		
117	Actual Capital Tax per CT23	-	97,453		97,453		
118					0		
119		-			0		
120	Total Other Deductions	=	229,739	0	229,739		
121							
122	Total Deductions	=	3,202,656	0	3,202,656		
123							
124	Recap Material Deductions:						
125			0	0	0		
126	Gain on disposal of assets		132,286	0	132,286		
127	Actual Capital Tax per CT23		97,453	0	97,453		
128			0	0	0		
129			0	0	0		
130	Total Other Deductions exceed materiality level		229,739	0	229,739		
131	Other Deductions less than materiality level		0	0	0		
132	Total Other Deductions		229,739	0	229,739		
133							
134	TAXABLE INCOME	=	2,943,038	174,056	2,768,982		
135	DEDUCT:						
136	Non-capital loss applied positive number	-	0		0		
137	Net capital loss applied positive number	-			0		
138					0		
139	NET TAXABLE INCOME	=	2,943,038	174,056	2,768,982		
140							
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	650,999	38,501	612,498		
143	Net Ontario Income Tax (Must agree with tax return)	+	412,025	24,368	387,657		
144	Subtotal	=	1,063,024	62,869	1,000,155		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	6,959		6,959		
146	Total Income Tax	=	1,056,065	62,869	993,196		
147							
148	FROM ACTUAL TAX RETURNS						
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%		
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%		
151	Blended Income Tax Rate		36.12%		36.12%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	1,056,065	62,869	993,196		
157	Ontario Capital Tax	+	97,453		97,453		
158	Federal Large Corporations Tax	+	0		0		
159							
160	Total income and capital taxes	=	1,153,518	62,869	1,090,649		
161							

	A	B	C	D	E	F
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Festival Hydro Inc					
8	Reporting period: 2005					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		0		0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		0		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Liability for Future Employee Benefits		1,152,145		1,152,145	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		1,152,145	0	1,152,145	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		0		0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Liability for Future Employee Benefits		1,240,577		1,240,577	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		1,240,577	0	1,240,577	
64						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Festival Hydro Inc					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+	3,765		3,765	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22	Non deductible meals	+	715		715	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41	Section 12(1)(a) income - customer deposits	+	0		0	
42	CHECK	+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	4,480	0	4,480	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51	#REF!		3,765	0	3,765	
52			0	0	0	
53			0	0	0	
54	Charitable donations (Only if it benefits ratepayers)		715	0	715	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Festival Hydro Inc					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		4,480	0	4,480	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		4,480	0	4,480	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	Non-taxable load transfers	-	0		0	
97	Section 12(1)(m) income - customer deposits	-	0		0	
98	CHECK	-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167					
3	TAX RETURN RECONCILIATION (TAXREC 3)					
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
8	Utility Name: Festival Hydro Inc				Version 2009.1	
9						
10						
11	Reporting period: 2005					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	-1,216		-1,216	
25	Deemed dividend income	+	1,017		1,017	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books				0	
36	Interest and penalties on unpaid taxes		4,161		4,161	
37	Management bonuses unpaid after 180 days of year end				0	
38	Ontario capital tax adjustments				0	
39		+			0	
40	Changes in Regulatory Asset balances	+	0		0	
41	Imputed interest expense on Regulatory Assets	+	54,619		54,619	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Ontario Specified Tax Credit (Apprenticeship Program)	+	6,959		6,959	
45		+			0	
46		+				
47	Total Additions on which true-up does not apply	=	65,540	0	65,540	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-	209,001		209,001	
57	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	Ontario capital tax adjustments to current or prior year	-			0	
61		-			0	
62	Changes in Regulatory Asset balances	-			0	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	209,001	0	209,001	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2011-0167									
2	Corporate Tax Rates				Version 2009.1					
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Festival Hydro Inc									
5	Reporting period: 2005									
6										
7										
8	Table 1									
9	Rates Used in 2005 RAM PILs Applications for 2005									
10	Income Range		0		400,001					
11	RAM 2005		to		to				>1,128,000	
12		Year	400,000		1,128,000					
13	Income Tax Rate									
14	Proxy Tax Year	2005								
15	Federal (Includes surtax)		13.12%		17.75%				22.12%	
16	and Ontario blended		5.50%		9.75%				14.00%	
17	Blended rate		18.62%		27.50%				36.12%	
18	Capital Tax Rate		0.300%							
19	LCT rate		0.175%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$7.5MM	6,795,875							
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	45,312,500							
23	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005									
27	Income Range		0	250,001	400,001					
28	Expected Rates		to	to	to				>1,128,000	
29		Year	250,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2005								
32	Federal (Includes surtax)	2005	13.12%	22.12%	22.12%				22.12%	
33	Ontario	2005	5.50%	5.50%	9.75%				14.00%	
34	Blended rate	2005	18.62%	27.62%	31.87%				36.12%	
35	Capital Tax Rate	2005	0.300%							
36	LCT rate	2005	0.200%							
37	Surtax	2005	1.12%							
38	Ontario Capital Tax Exemption *** 2005	MAX \$7.5MM	7,500,000							
39	Federal Large Corporations Tax Exemption *** 2005	MAX \$50MM	50,000,000							
40	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
41										
42										
43	Table 3									
44	Input Information from Utility's Actual 2005 Tax Returns									
45	Income Range		0	250,001	400,001					
46			to	to	to				>1,128,000	
47		Year	250,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2005								
50	Federal (Includes surtax)		13.12%	22.12%	22.12%				22.12%	
51	Ontario		5.50%	5.50%	14.00%				14.00%	
52	Blended rate		18.62%	27.62%	36.12%				36.12%	
53	Capital Tax Rate		0.300%							
54	LCT rate		0.200%							
55	Surtax		1.12%							
56	Ontario Capital Tax Exemption *	MAX \$7.5MM	7,290,176							
57	Federal Large Corporations Tax Exemption *	MAX \$50MM	48,500,000							
58	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
59										
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILS TAXES - EB-2011-0167														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Festival Hydro Inc														Version 2009.1
4	Reporting period: 2005				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		370,962		454,242		467,526		362,249		253,643		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	370,962		1,226,571		1,597,533		1,226,571		306,643		417,610		5,145,890
13	PILs proxy from April 1, 2005 - input 9/12 of amount										939,623				939,623
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-					-9,294		-11,921		-4,896		-48,753		-74,864
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-							-55,404		-115,031		-11,111		-181,546
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	0		39,005		28,569		19,554		13,584		3,516		104,228
20	PILs billed to (collected from) customers (8)	-	0		-1,182,296		-1,603,524		-1,284,077		-1,248,528		-518,171		-5,836,597
21															
22	Ending balance: # 1562		370,962		454,242		467,526		362,249		253,643		96,734		96,734
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

Name of Utility:	FESTIVAL HYDRO INC. - CoApplication Rates	2005.V1.1
License Number:	ED-1999-0053	RP-2005-0013
Name of Contact:	Debbie Reece	EB-2005-0027
E- Mail Address:	dreece@festivalhydro.com	
Phone Number:	519-271-4703	Extension: 268
Date:	January 14, 2005	

This schedule requires LDCs to input the 2003 data which will be used to allocate 2005 PILs to the rate classes.
The 2005 PILs Proxy is calculated in the 2005 PILs model, TAXCALC Worksheet, Cell C95

Enter the 2005 PILs Proxy Amount \$ 1,221,986.00

Distribution Revenue is used to allocate the 2005 PILs Proxy Amount to the rate classes.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 Distribution Shares	2005 PILs Proxy Allocation
Residential Class		128,805,999	14,903	\$3,986,260	51.8%	\$632,774
General Service < 50 KW Class		72,286,931	2,022	\$1,484,369	19.3%	\$235,627
General Service > 50 KW Non-Time of Use	852,568		209	\$1,731,753	22.5%	\$274,897
General Service > 50 KW Time of Use - Customer 1	38,118		1	\$181,331	2.4%	\$28,784
General Service > 50 KW Time of Use - Customer 2	7,702		1	\$81,736	1.1%	\$12,975
Large Class User	84,448		1	\$183,585	2.4%	\$29,142
Sentinel Lights	667		415	\$2,197	0.0%	\$349
Street Lighting	10,515		5,747	\$46,858	0.6%	\$7,438
TOTALS	994,018	201,092,930	23,299	\$7,698,089	1.00	\$1,221,986
				2005 PILs Proxy Amount =====>		\$1,221,986

2005 PILs Proxy amount will be recovered only in the distribution kWh charge (Variable Charge).

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			\$632,774
(B) Fixed-Variable Split (%)	100%		100%
(C) Re-Allocated PILs (\$)	\$632,774	\$0	\$632,774
(D) Number of kWh	128,805,999		
(E) Incremental Distribution kWh Rate (\$/kWh)	\$0.0049		

General Service < 50 kW Class

	variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			\$235,627
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$235,627	\$0	\$235,627
(D) Number of kWh	72,286,931		
(E) Incremental Distribution kWh Rate (\$/kWh)	\$0.0033		

General Service > 50 kW Class (Non-Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2005 PILS Proxy Allocation
(A) Allocated PILs			\$274,897
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$274,897	\$0	\$274,897
(D) Number of kW	852,568		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.3224		

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2005 PILS Proxy Allocation
(A) Allocated PILs			\$28,784
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$28,784	\$0	\$28,784
(D) Number of kW	38,118		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.7551		

Intermediate Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILS Proxy Allocation
(A) Allocated PILs			\$12,975
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$12,975	\$0	\$12,975
(D) Number of kW	7,702		
(E) Incremental Distribution kW Rate (\$/kW)	\$1.6846		

Large User Class

	variable Charge Recovery	Service Charge Recovery	2005 PILS Proxy Allocation
(A) Allocated PILs			\$29,142
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$29,142	\$0	\$29,142
(D) Number of kW	84,448		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.3451		

Sentinel Lighting Class

variable Charge Recovery	Service Charge Recovery	2005 PILS Proxy Allocation

(A) Allocated PILs			\$349
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$349	\$0	\$349
(D) Number of kW	667		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.5231		

Street Lighting Class

	variable Charge Recovery	Service Charge Recovery	2005 PILS Proxy Allocation
(A) Allocated PILs			\$7,438
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$7,438	\$0	\$7,438
(D) Number of kW	10,515		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.7074		

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

Name of Utility:	Festival Hydro Inc-Hensall Residential Rates	2005.V1.1
License Number:	ED-2002-0153	RP-2005-0013
Name of Contact:	Debbie Reece	EB-2005-0027
E- Mail Address:	dreece@festivalhydro.com	
Phone Number:	519-271-4703	Extension: 268
Date:	January 14, 2005	

This schedule requires LDCs to input the 2003 data which will be used to allocate 2005 PILs to the rate classes.
The 2005 PILs Proxy is calculated in the 2005 PILs model, TAXCALC Worksheet, Cell C95

Enter the 2005 PILs Proxy Amount	\$ 6,287.00

Distribution Revenue is used to allocate the 2005 PILs Proxy Amount to the rate classes.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 Distribution Shares	2005 PILs Proxy Allocation
Residential Class		4,050,220	406	\$58,156	100.0%	\$6,287
General Service < 50 KW Class					0.0%	\$0
General Service > 50 KW Non-Time of Use					0.0%	\$0
General Service > 50 KW Time of Use					0.0%	\$0
Intermediate Use					0.0%	\$0
Large Class User					0.0%	\$0
Sentinel Lights					0.0%	\$0
Street Lighting					0.0%	\$0
TOTALS	0	4,050,220	406	\$58,156	1.00	\$6,287
				2005 PILs Proxy Amount =====>		\$6,287

2005 PILs Proxy amount will be recovered only in the distribution kWh charge (Variable Charge).

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			\$6,287
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$6,287	\$0	\$6,287
(D) Number of kWh	4,050,220		
(E) Incremental Distribution kWh Rate (\$/kWh)	\$0.0016		

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

Name of Utility:	Festival Hydro Inc-Seaforth Residential Rates	2005.V1.1
License Number:	ED-2002-0153	RP-2005-0013
Name of Contact:	Debbie Reece	EB-2005-0027
E- Mail Address:	dreece@festivalhydro.com	
Phone Number:	519-271-4703	Extension: 268
Date:	January 14, 2005	

This schedule requires LDCs to input the 2003 data which will be used to allocate 2005 PILs to the rate classes.
The 2005 PILs Proxy is calculated in the 2005 PILs model, TAXCALC Worksheet, Cell C95

Enter the 2005 PILs Proxy Amount	\$ 24,557.00

Distribution Revenue is used to allocate the 2005 PILs Proxy Amount to the rate classes.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 Distribution Shares	2005 PILs Proxy Allocation
Residential Class		8,061,625	944	\$266,622	100.0%	\$24,557
General Service < 50 KW Class					0.0%	\$0
General Service > 50 KW Non-Time of Use					0.0%	\$0
General Service > 50 KW Time of Use					0.0%	\$0
Intermediate Use					0.0%	\$0
Large Class User					0.0%	\$0
Sentinel Lights					0.0%	\$0
Street Lighting					0.0%	\$0
TOTALS	0	8,061,625	944	\$266,622	1.00	\$24,557
				2005 PILs Proxy Amount =====>		\$24,557

2005 PILs Proxy amount will be recovered only in the distribution kWh charge (Variable Charge).

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			\$24,557
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$24,557	\$0	\$24,557
(D) Number of kWh	8,061,625		
(E) Incremental Distribution kWh Rate (\$/kWh)	\$0.0030		

	A	B	C	D	E
1	SIMPIL RRR FILING				Version 2005.1
2	REGULATORY INFORMATION (REGINFO)				RRR # 2.1.8
3	Utility Name: FESTIVAL HYDRO INC.			<u>Colour Code</u>	
4	Reporting period: 2005			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Y	
20	shared among the corporate group?	LCT	Y/N	Y	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		91%	
22	Cells C68 & C77 in the TAXCALC spreadsheet.	LCT		91%	
23					
24	Accounting Year End		Date	12-31-2005	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			31,136,775	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,666,865	
42					
43	1999 return from RUD Sheet #7			681,997	681,997
44					
45	Total Incremental revenue			1,984,868	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in Year 1 - 2001			661,623	661,623
48	Amount allowed in Year 2 - 2002			661,623	661,623
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210;			0	
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in Year 3 - 2005; no gross-up ; (with approved CDM plan)			661,623	661,623
52	Other adjustments approved by the Board			81,598	81,598
53					0
54	Total Regulatory Income				2,748,464
55					
56	Equity			15,568,388	
57					
58	Return at target ROE			1,538,157	
59					
60	Debt			15,568,388	
61					
62	Deemed interest amount in 100% of MARR			1,128,708	
63					
64	Phase-in of interest - Year 1 (2001)			568,666	
65	((D43+D47)/D41)*D62				
66	Phase-in of interest - Years 2, 3 & 4 (2002, 2003,2004)			848,687	
67	((D43+D47+D48)/D41)*D62 (Due to Bill 210)				
68	Phase-in of interest - Year 3 (2005) and forward			1,128,708	
69					
70					
71					
72					

[illegible]

	A	B	C	D	E	F	G	H	I	J	K	L
1	SIMPIL RRR FILING	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8										Version 2005.1	
6			\$						\$		\$	
87	III) INCLUSION IN RATES											
88												
89	Income Tax Rate used for gross- up		36.12%									
90												
91	Income Tax (proxy tax is grossed-up)	22	1,179,810							Actual 2005	1,056,065	
92	LCT (proxy tax is grossed-up)	23	0							Actual 2005	0	
93	Ontario Capital Tax (no gross-up since it is deductible)	24	73,020							Actual 2005	97,453	
94												
95												
96	Total PILs for Rate Adjustment -- MUST AGREE WITH 2005	25	1,252,830							Actual 2005	1,153,518	
97	RAM DECISION											
98												
99												
100	IV) FUTURE TRUE-UPS											
101	IV a) Calculation of the True-up Variance								DR/(CR)			
102	In Additions:											
103	Employee Benefit Plans - Accrued, Not Paid	3							0			
104	Tax reserves deducted in prior year	4							0			
105	Reserves from financial statements-end of year	4							1,240,577			
106	Regulatory Adjustments	5							0			
107	Other additions "Material" Items TAXREC	6							149,619			
108	Other additions "Material" Items TAXREC 2	6							0			
109	In Deductions - positive numbers											
110	Employee Benefit Plans - Paid Amounts	8							0			
111	Items Capitalized for Regulatory Purposes	9							0			
112	Regulatory Adjustments	10							0			
113	Interest Adjustment for tax purposes (See Below - cell I207)	11							26,640			
114	Tax reserves claimed in current year	4							0			
115	Reserves from F/S beginning of year	4							1,152,145			
116	Contributions to deferred income plans	3							0			
117	Contributions to pension plans	3							0			
118	Other deductions "Material" Items TAXREC	12							438,740			
119	Other deductions "Material" Item TAXREC 2	12							0			
120												
121	Total TRUE-UPS before tax effect	26						=	-227,329			
122												
123	Income Tax Rate from 2005 Utility's tax return							x	35.88%			
124												
125	Income Tax Effect on True-up adjustments							=	-81,574			
126												
127	Less: Miscellaneous Tax Credits	14							0			
128												
129	Total Income Tax on True-ups								-81,574			
130												
131	Income Tax Rate used for gross-up								34.76%			
132												
133	TRUE-UP VARIANCE ADJUSTMENT								(125,043)			
134												
135	IV b) Calculation of the Deferral Account Variance caused by changes in legislation											
136												
137	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	2,086,552			
138												
139	REVISED CORPORATE INCOME TAX RATE							x	36.12%			
140												
141	REVISED REGULATORY INCOME TAX							=	753,663			
142												
143	Less: Revised Miscellaneous Tax Credits							-	0			
144												
145	Total Revised Regulatory Income Tax							=	753,663			
146												
147	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C61)							-	753,663			
148												
149	Regulatory Income Tax Variance							=	0			
150												
151	Ontario Capital Tax											
152	Base							=	31,136,775			
153	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	7,500,000			
154	Revised deemed taxable capital							=	23,636,775			
155												
156	Rate - Tab Tax Rates cell C54							x	0.3000%			
157												
158	Revised Ontario Capital Tax							=	70,910			
159	Less: Ontario Capital Tax reported in the initial estimate column (Cell C73)							-	73,020			
160	Regulatory Ontario Capital Tax Variance							=	(2,109)			

[illegible]

	A	B	C	D	E	F
1	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
4	RRR # 2.1.8		Return			
5					Version 2005.1	
6	Section A: Identification:					
7	Utility Name: FESTIVAL HYDRO INC.					
8	Reporting period: 2005					
9	Taxation Year's start date:		Jan 01, 2005			
10	Taxation Year's end date:		Dec 31, 2005			
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		38,921	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	Y			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statement data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	Income:					
31	Energy Sales	+	47,252,268		47,252,268	
32	Distribution Revenue	+	8,395,969		8,395,969	
33	Other Income	+	262,759		262,759	
34	Miscellaneous income	+	555,812	174,056	381,756	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	47,252,268		47,252,268	
40	Administration	-	997,030		997,030	
41	Customer billing and collecting	-	945,877		945,877	
42	Operations and maintenance	-	1,188,720		1,188,720	
43	Amortization (links to C61 below)	-	2,286,741		2,286,741	
44	Ontario Capital Tax	-	95,000		95,000	
45	CDM Expenses for 2005	-	92,468		92,468	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	3,608,704	174,056	3,434,648	
51	Less: Interest expense for accounting purposes	-	1,155,348		1,155,348	
52	Provision for payments in lieu of income taxes	-	925,000		925,000	
53	Net Income (loss)	=	1,528,356	174,056	1,354,300	
	(The Net Income (loss) in the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
54						
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	925,000	0	925,000	
60	Federal large corporations tax	+			0	
61	Depreciation & Amortization	+	2,286,741	0	2,286,741	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	1,240,577	0	1,240,577	
65	Regulatory adjustments	+			0	
66	Regulatory Assets changes	+			0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	15,401	0	15,401	
69						
70	Subtotal		4,467,719	0	4,467,719	
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed- Capital tax	+	95,000		95,000	
76	Regulatory Asset interest allowance recovered	+	54,619		54,619	
77	Capital tax accrued in income statement	+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	149,619	0	149,619	
81						
82	Total Additions	=	4,617,338	0	4,617,338	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87	Capital items expensed- Capital tax		95,000	0	95,000	
88	Regulatory Asset interest allowance recovered		54,619	0	54,619	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		149,619	0	149,619	
93	Other deductions (less than materiality level)		0	0	0	
94	Total Other Additions		149,619	0	149,619	
95						

	A	B	C	D	E	F
1	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
4	RRR # 2.1.8		Return			
5					Version 2005.1	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,599,998		1,599,998	
98	Cumulative eligible capital deduction	-	11,773		11,773	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Regulatory Assets changes	-			0	
105	Tax reserves - end of year	-	0	0	0	
106	Reserves from financial statements- beginning of year	-	1,152,145	0	1,152,145	
107	Contributions to deferred income plans	-			0	
108	Contributions to pension plans	-			0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	2,763,916	0	2,763,916	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-	132,286		132,286	
117	Regulatory asset interest taken into accounting income	-	209,001		209,001	
118	Capital tax per CT23	-	97,453		97,453	
119		-			0	
120	Total Other Deductions	=	438,740	0	438,740	
121						
122	Total Deductions	=	3,202,656	0	3,202,656	
123						
124	Recap Material Deductions:					
125			0	0	0	
126	Gain on disposal of assets		132,286	0	132,286	
127	Regulatory asset interest taken into accounting income		209,001	0	209,001	
128			97,453	0	97,453	
129			0	0	0	
130	Total Other Deductions exceed materiality level		438,740	0	438,740	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		438,740	0	438,740	
133						
134	TAXABLE INCOME	=	2,943,038	174,056	2,768,982	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	2,943,038	174,056	2,768,982	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	650,999		650,999	
143	Net Ontario Income Tax (Must agree with tax return)	+	405,066		405,066	
144	Subtotal	=	1,056,065	0	1,056,065	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	Total Income Tax	=	1,056,065	0	1,056,065	
147						
148	APPLICABLE TAX RATES FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax status)		22.12%		22.12%	
150	Net Ontario Income Tax Rate (Must agree with tax status)		13.76%		13.76%	
151	Blended Income Tax Rate		35.88%		35.88%	
152						
153	Section D: Detailed calculation of Ontario Capital Tax					
154						
155	ONTARIO CAPITAL TAX					
156	(From Ontario CT23)					
157	PAID-UP CAPITAL					
158						
159	Paid-up capital stock	+	15,568,388		15,568,388	
160	Retained earnings (if deficit, deduct)	+/-	3,292,488		3,292,488	
161	Capital and other surplus excluding	+			0	
162	appraisal surplus	+			0	
163	Loans and advances	+	17,139,433		17,139,433	
164	Bank loans	+			0	
165	Bankers acceptances	+			0	
166	Bonds and debentures payable	+			0	
167	Mortgages payable	+			0	
168	Lien notes payable	+			0	
169	Deferred credits	+	-1,813,000		-1,813,000	
170	Contingent, investment, inventory and similar reserves	+			0	
171	Other reserves not allowed as deductions	+	5,587,366		5,587,366	
172	Share of partnership(s), joint venture(s) paid-up capital	+			0	
173	Sub-total	=	39,774,675	0	39,774,675	
174	Subtract:					
175	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
176	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
177	Total (Net) Paid-up Capital	=	39,774,675	0	39,774,675	

	A	B	C	D	E	F
1	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
4	RRR # 2.1.8		Return			
5					Version 2005.1	
178						
179	ELIGIBLE INVESTMENTS					
180						
181	Bonds, lien notes, interest coupons	+			0	
182	Mortgages due from other corporations	+			0	
183	Shares in other corporations	+			0	
184	Loans and advances to unrelated corporations	+			0	
185	Eligible loans and advances to related corporations	+			0	
186	Share of partnership(s) or joint venture(s) eligible investments	+			0	
187						
188	Total Eligible Investments	=	0	0	0	
189						
190						
191	TOTAL ASSETS					
192						
193	Total assets per balance sheet	+	43,894,030		43,894,030	
194	Mortgages or other liabilities deducted from assets	+			0	
195	Share of partnership(s)/ joint venture(s) total assets	+			0	
196	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
197						
198	Total assets as adjusted	=	43,894,030	0	43,894,030	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and similar reserves	+			0	
202	Other reserves not allowed as deductions	+			0	
203	Subtract:				0	
204	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
205	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
206	Subtract: Appraisal surplus if booked	-			0	
207	Add or subtract: Other adjustments	+/-			0	
208						
209	Total Assets	=	43,894,030	0	43,894,030	
210						
211						
212	Investment Allowance		0	0	0	
213						
214	Taxable Capital					
215						
216	Net paid-up capital	+	39,774,675	0	39,774,675	
217	Subtract: Investment Allowance	-	0	0	0	
218						
219	Taxable Capital	=	39,774,675	0	39,774,675	
220						
221	Capital Tax Calculation					
222	Deduction from taxable capital up to maximum of \$7,500,000		7,290,176	0	7,290,176	
223	(Input in tab Tax Rates)					
224	Net Taxable Capital		32,484,499	0	32,484,499	
225						
226	Rate		0.3000%	0.3000%	0.3000%	
227						
228	Days in taxation year		365	365	365	
229	Divide days by 365		1.00	1.00	1.00	
230						
231	Ontario Capital Tax (as calculated)		97,453	0	97,453	
232						
233	Ontario Capital Tax (Must agree with CT23 return)		97,453	0	97,453	
234						
235	Section E: Detailed calculation of Large Corporations Tax					
236						
237	LARGE CORPORATIONS TAX					
238	(From Federal Schedule 33)					
239	CAPITAL					
240	ADD:					
241	Reserves that have not been deducted in computing income for the year under Part I	+	1,240,577		1,240,577	
242	Capital stock	+	15,568,388		15,568,388	
243	Retained earnings	+	3,292,488		3,292,488	
244	Contributed surplus	+			0	
245	Any other surpluses	+			0	
246	Deferred unrealized foreign exchange gains	+			0	
247	All loans and advances to the corporation	+	17,139,433		17,139,433	
248	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			0	
249	Any dividends declared but not paid	+			0	
250	All other indebtedness outstanding for more than 365 days	+			0	
251						
252	Subtotal	=	37,240,886	0	37,240,886	

	A	B	C	D	E	F
1	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
4	RRR # 2.1.8		Return			
5					Version 2005.1	
253						
254	DEDUCT:					
255	Deferred tax debit balance	-	1,813,000		1,813,000	
256	Any deficit deducted in computing shareholders' equity	-			0	
257	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
258	Deferred unrealized foreign exchange losses	-			0	
259						
260	Subtotal	=	1,813,000	0	1,813,000	
261						
262	Capital for the year		35,427,886	0	35,427,886	
263						
264	INVESTMENT ALLOWANCE					
265						
266	Shares in another corporation	+			0	
267	Loan or advance to another corporation	+			0	
268	Bond, debenture, note, mortgage, or	+			0	
269	similar obligation of another corporation	+			0	
270	Long term debt of financial institution	+			0	
271	Dividend receivable from another corporation	+			0	
272	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
273	Interest in a partnership	+			0	
274						
275	Investment Allowance	=	0	0	0	
276						
277						
278	TAXABLE CAPITAL					
279						
280	Capital for the year	=	35,427,886	0	35,427,886	
281						
282	Deduct: Investment allowance	-	0	0	0	
283						
284	Taxable Capital for taxation year	=	35,427,886	0	35,427,886	
285						
286	Deduct: Capital Deduction - maximum of \$50,000,000	-	48,500,000	0	48,500,000	
287	(Input in tab Tax Rates)					
288	Taxable Capital	=	0	0	0	
289						
290	Rate 0.225% in 2002 and 2003; 0.200% in 2004; 0.175% in 2005		0.17500%	0.17500%	0.17500%	
291						
292	Days in year		365	365	365	
293	Divide days by 365		1.0000	1.0000	1.0000	
294						
295	Gross Part I.3 Tax LCT (Must agree with tax return)	=	0	0	0	
296						
297	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
298						
299	Less: Federal Surtax = Actual Surtax from tax return	-			0	
300						
301	Net Part I.3 Tax - LCT Payable (Must agree with tax return)	=	0	0	0	
302	(If surtax is greater than Gross LCT, then zero)					
303						
304	Section F: Income and Capital Taxes					
305						
306	RECAP FROM ABOVE:					
307	Total Income Taxes	+	1,056,065	0	1,056,065	
308	Ontario Capital Tax	+	97,453	0	97,453	
309	Federal Large Corporations Tax	+	0	0	0	
310						
311	Total income and capital taxes	=	1,153,518	0	1,153,518	
312						

	A	B	C	D	E	F
1	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax	(positive numbers)	Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	RRR # 2.1.8				Version 2005.1	
6						
7	Utility Name: FESTIVAL HYDRO INC.					
8	Reporting period: 2005					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other				0	
19	Other				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other				0	
31	Other				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other				0	
48	Other				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other				0	
60	Other				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
5	RRR # 2.1.8		Return			
6					Version 2005.1	
7						
8	Utility Name: FESTIVAL HYDRO INC.					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		38,921			
12						
13	Section C: Reconciliation of accounting income to taxable income					
14	Add:					
15	Recapture of capital cost allowance	+			0	
16	Gain on sale of eligible capital property	+			0	
17	Income or loss for tax purposes- joint ventures or partnerships	+	-1,216		-1,216	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+	3,765		3,765	
20	Charitable donations	+			0	
21	Taxable capital gains	+			0	
22	Depreciation in inventory -end of year	+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Non-deductible club dues and fees	+			0	
27	Non-deductible automobile expenses	+			0	
28	Non-deductible life insurance premiums	+			0	
29	Soft costs on construction and renovation of buildings	+			0	
30	Non-deductible meals and entertainment	+	715		715	
31	Book loss on joint ventures or partnerships	+			0	
32	Capital items expensed	+			0	
33	Debt issue expense	+			0	
34	Deemed dividend income	+	1,017		1,017	
35	Dividends credited to investment account	+			0	
36	Financing fees deducted in books	+			0	
37	Gain on settlement of debt	+			0	
38	Interest paid on income debentures	+			0	
39	Recapture of SR&ED expenditures	+			0	
40	Share issue expense	+			0	
41	Write down of capital property	+			0	
42	Amounts received in respect of qualifying environment trust	+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Debt financing expenses	+			0	
45	Interest and Penalties on taxes	+	4,161		4,161	
46	Ontario Specified Tax Credit (Apprenticeship Program)	+	6,959		6,959	
47	S.12(1)(x)	+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+				
54	Total Additions	=	15,401	0	15,401	
55						
56	Recap of Material Additions:					
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			0	0	0	
82			0	0	0	

	A	B	C	D	E	F
2	SIMPIL RRR FILING	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	Return	
5	RRR # 2.1.8		Return			
6					Version 2005.1	
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92			0	0	0	
93			0	0	0	
94						
95	Total Material additions		0	0	0	
96	Other additions less than materiality level		15,401	0	15,401	
97	Total Additions		15,401	0	15,401	
98						
99	Deduct:					
100	Gain on disposal of assets per f/s	-			0	
101	Dividends not taxable under section 83	-			0	
102	Terminal loss from Schedule 8	-			0	
103	Depreciation in inventory, end of prior year	-			0	
104	Scientific research expenses claimed in year from Form T661	-			0	
105	Bad debts	-			0	
106	Book income of joint venture or partnership	-			0	
107	Equity in income from subsidiary or affiliates	-			0	
108	Contributions to a qualifying environment trust	-			0	
109	Other income from financial statements	-			0	
110	Other deductions: (Please explain in detail the nature of the item)	-				
111	Imputed interest on Reg Assets	-			0	
112	SEC 20(1) (e)	-			0	
113	Capital gains adjustment	-			0	
114	Equipment	-			0	
115		-			0	
116	s.13(7.4)	-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121	Total Deductions	=	0	0	0	
122						
123						
124	Recap of Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140			0	0	0	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145			0	0	0	
146	Total Deductions exceed materiality level		0	0	0	
147	Other deductions less than materiality level		0	0	0	
148	Total Deductions		0	0	0	
149						

	A	B	C	D	E	F	G	H	I	J
1	SIMPIL RRR FILING									
2	Corporate Tax Rates									
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: FESTIVAL HYDRO INC.									
5	Reporting period: 2005									
6										
7	Table 1									
8	Rates Used in 2005 RAM PILs Applications									
9	Income Range		0		400,001					
10	RAM 2005		to		to	>1,128,000				
11		Year	400,000		1,128,000					
12	Income Tax Rate									
13	Proxy Tax Year	2005								
14	Federal (Includes surtax)		13.12%		17.75%	22.12%				
15	Ontario		5.50%		9.75%	14.00%				
16	Blended rate		18.62%	0.00%	27.50%	36.12%				
17										
18	Capital Tax Rate		0.300%		Input in C18					
19	LCT rate		0.175%		Input in C19					
20	Surtax		1.12%		Input in C20					
21	Ontario Capital Tax Exemption **	MAX \$7.5MM	6,796,875		Input in C21					
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	45,312,500		Input in C22					
23	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
24										
25	Table 2									
26	Expected Rates and Exemptions for 2005									
27	Income Range		0	300,001	400,001					
28	Expected Rates 2005		to	to	to	>1,128,000				
29		Year	300,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2005								
32	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%				
33	Ontario		5.50%	5.50%	9.75%	14.00%				
34	Blended rate		18.62%	27.62%	31.87%	36.12%				
35										
36	Capital Tax Rate		0.300%		Input in C36					
37	LCT rate		0.175%		Input in C37					
38	Surtax		1.12%		Input in C38					
39	Ontario Capital Tax Exemption ***	MAX \$7.5MM	7,500,000		Input in C39					
40	Federal Large Corporations Tax Exemption ***	MAX \$50MM	50,000,000		Input in C40					
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2005 Tax Returns									
45	Income Range		0	300,001	400,001					
46			to	to	to	>1,128,000				
47		Year	300,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2005								
50	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%				
51	Ontario		5.50%	5.50%	9.75%	14.00%				
52	Blended rate		18.62%	27.62%	31.87%	36.12%				
53										
54	Capital Tax Rate		0.300%		Input in C54					
55	LCT rate		0.175%		Input in C55					
56	Surtax		1.12%		Input in C56					
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	7,290,176		Input in C57					
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	48,500,000		Input in C58					
59	* Include copies of the actual tax returns - Ontario CT23, federal T2. Please see the Checklist.									
60										
61										
62										
63										
64										

	A	B	C	D
1		SIMPIL RRR FILING		
2		Filing Requirements related to the SIMPIL model	Number	
3		Utility Name: FESTIVAL HYDRO INC.	of Copies	
4		Reporting period: 2005		
5				
6		Name of person to contact about this SIMPIL filing: =====>	Debbie Reece, Se	
7		Contact Telephone Number: =====>	1-519-271-4703 x	
8		Contact Email Address: =====>	dreece@festivalh	
9				
10		Documents to be submitted to the Board when filing the Ministry of Finance Column information:		
11		(Normally in July of the year following the reporting period)		
12				
13		Please file 2 sets of copies of the SIMPIL worksheets and 1 CD or disk		
14				
15	1)	REGINFO	2	X
16				
17	2)	TAXCALC	2	X
18				
19	3)	TAXREC	2	X
20				
21	4)	Tax Reserves	2	X
22				
23	5)	TAXREC 2	2	X
24				
25	6)	Tax Rates	2	X
26				
27	7)	PILs 1562 Calculation	2	X
28				
29	8)	Checklist	2	X
30				
31				
32	9)	Financial statements used to prepare tax returns if different from the audited financial statements submitted to the Board in April 2006 (See 12, 13)	2	X
33				
34	10)	Electronic Excel format of the SIMPIL worksheets on disk or CD	1	X
35				
36	11)	Notices of Assessments, Re-assessments, Statement of Adjustments for:		
37		2001	1	X
38		2002	1	X
39		2003	1	X
40		2004	1	X
41		2005	1	X
42				
43	12)	Federal T2 tax return and schedules (with dollar amounts) 2005	1	X
44				
45	13)	Ontario CT23 tax return and schedules 2005	1	X
46				
47		NOTE: These are the tax returns that were sent to the Ontario Ministry of Finance,		
48		not the NIL tax returns sent to the Canada Revenue Agency.		
49				
50				
51				
52				

	E
1	
2	Version 2005.1
3	RRR # 2.1.8
4	
5	
6	Secretary Treasurer
7	.268
8	ydro.com
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Ontario Energy
Board
P.O. Box 2319
26th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'Énergie
de l'Ontario
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2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



March 29, 2005

BY PRIORITY POST

William Zehr
President
Festival Hydro Inc.
P.O. Box 397
187 Erie Street
Stratford ON
N5A 6T5

Dear Mr. Zehr:

**Re: 2005 Electricity Distribution Rates
Board Decision and Order
Board File No. RP-2005-0013/EB-2005-0027**

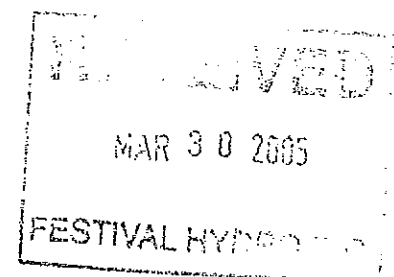
The Board has now issued its Decision and Order for the above referenced proceeding and a copy is enclosed.

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

Date	
From: Bill Zehr	
JV	DR
BS	PT
DS	IM
DA	RD
CP	LZ
LT	
Eng. E	
For Your Action	
See Me	
Please Return	
File Eng. Arct	

*CEB approved
note's
2005*





RP-2005-0013
EB-2005-0027

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
Festival Hydro Inc. for an order or orders approving
or fixing just and reasonable rates.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

Paul Vlahos
Member

Pamela Nowina
Member

DECISION AND ORDER

Background and Application

In November 2003 the Ontario government announced that it would permit local distribution companies to apply to the Board for the next installment of their allowable return on equity beginning March 1, 2005. The Government also indicated that the Board's approval would be conditional on a financial commitment to reinvest in conservation and demand management initiatives, an amount equal to one year's incremental returns.

Also in November 2003, the Government announced, in conjunction with the introduction of Bill 4, the *Ontario Energy Board Amendment Act, (Electricity Pricing), 2003*, that electricity distributors could start recovering Regulatory Assets in their rates, beginning March 1, 2004, over a four year period.

In February and March, 2004, the Board approved the applications of distributors to recover 25% of their December 31, 2002 Regulatory Asset balances (or additional amounts for rate stability) in their distribution rates on an interim basis effective March 1, 2004 and implemented on April 1, 2004.

On December 20, 2004 the Board issued filing guidelines to all electricity distribution utilities for the April 1, 2005 distribution rate adjustments. The guidelines allowed the applicants to recover three types of costs. These costs concern (i) the rate recovery of the third tranche of the allowable return on equity (Market Adjusted Revenue Requirement or "MARR"), (ii) the 2005 proxy allowance for payments in lieu of taxes ("PILs") and (iii) a second installment of the recovery of Regulatory Assets.

A generic Notice of the proceeding was published on January 25, 2005 in major newspapers in the province, which provided a 14 day period for submissions from interested parties. On February 4, 2005, the Board issued Procedural Order No. 1, providing for an extension for submissions until February 16, 2005 and also providing for reply submissions from applicants and other parties.

The Applicant filed an application on behalf of one harmonized (Stratford - Co Application) and two non-harmonized (Seaforth and Hensall) service areas, for adjustments to their rates for the following amounts:

MARR: \$ 661,623

2005 PILs Proxy: \$ 1,252,830

Regulatory Assets Second Tranche: \$ 66,828

The Applicant allocated the MARR and PILs to these service areas according to 1999 capital base shares as approved by the Board in past applications.

The Applicant also applied for recovery of amounts and use of allocation methodologies outside of the guidelines. Specifically, the Applicant requested:

- reallocation of small amounts of MARR between the service areas in order to create an acceptable rate increase for Hensall's residential rates (in order to eventually move towards harmonization) and for rate stability in the Seaforth service area.
- a change in the fixed/variable split for the Hensall residential class from 96%/4% to 100% on the fixed charged in order to keep the fixed charge consistent with current rates.
- allocation of the second interim tranche of regulatory asset recovery only to the Stratford - Co Application service area.
- an increase in the refund of RSVAs that the RAM model generated for Sheet 7 from \$87,096 to \$378,264 in order to reduce the current and prospective credits in accounts 1584 and 1586.
- allocation of the remainder of the RSVA refund above and beyond the \$87,096 by working backwards in the model to determine the amount of credit required by each class in order to reach the desired rates. The

resulting allocation shares closely resemble the 2003 distribution revenue shares. The extra RSVA refund was allocated only to the Stratford - Co Application.

- to forgo the amount of non-RSVA recovery of \$153,924 generated on Sheet 8 of the RAM.

Therefore, the allocated amounts applied for by the Applicant are as follows:

Stratford:

MARR applied for: \$ 646,273

2005 PILs Proxy: \$ 1,221,986

Regulatory Assets Second Tranche: -\$ 378,264

Seaforth:

MARR applied for: \$ 8,150

2005 PILs Proxy: \$ 24,557

Regulatory Assets Second Tranche: \$ 0

Hensall:

MARR applied for: \$ 7,200

2005 PILs Proxy: \$ 6,287

Regulatory Assets Second Tranche: \$ 0

Submissions

The Board received one submission which addressed the 2005 rate setting process in general. This submission was made by School Energy Coalition (SEC). SEC objected to the guideline which caused the recovery of the 2005 PILs proxy to be reflected only on the variable charge. SEC was also concerned that monthly service charges and overall distribution charges varied significantly between utilities across the province. SEC also raised concerns regarding the consistency of, and access to, information on the applications as filed by the utilities.

Reply submissions to SEC's general submissions were received from the Coalition of Large Distributors, the Electricity Distributors Association, Hydro One Networks, and the LDC Coalition (a group of 7 distributors). These parties generally argued against the recommendations put forward by SEC, by and large indicating that the Board's existing processes for 2006 and 2007 have been planned to address these issues going forward and that these issues should not be added to the 2005 rates adjustment process.

SEC made specific submissions for this application regarding the alternative allocation methodology employed by the Applicant to allocate the extra RSVA refund.

Although SEC supported the rate stability approach proposed by the applicant, SEC requested that the Applicant not be allowed to allocate the extra refund on Sheet 7 by the proposed method because it results in 6% to 7% increase in the typical school's distribution portion of the bill than by using 2003 kWhs.

The Applicant did not submit a reply.

The full record of the proceeding is available for review at the Board's offices.

Board Findings

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

In past applications, the Board has approved minor deviations from the guidelines for the Applicant. Although the Board appreciates the Applicant's objective of maintaining relatively stable distribution rates for its customers, the deviations from the guidelines in this application are excessive.

Therefore, at this time, the Board will approve only the portion of the application that conforms to the guidelines as the generic notice published informed customers and the public of only the changes contemplated in the guidelines. The Applicant may wish to apply for other specific changes to rates in a separate application.

As a result, the Board has made adjustments to the amounts applied for resulting in the following approved amounts:

Festival Hydro (Total)**MARR:** \$ 661,623**2005 PILs Proxy:** \$ 1,252,830**Regulatory Assets Second Tranche:** \$ 66,828**Allocated amounts:****Stratford:****MARR :** \$ 645,334**2005 PILs Proxy:** \$ 1,221,986**Regulatory Assets Second Tranche:** \$ 65,184**Seaforth:****MARR:** \$ 12,969**2005 PILs Proxy:** \$ 24,557**Regulatory Assets Second Tranche:** \$ 1,310**Hensall:****MARR:** \$ 3,320**2005 PILs Proxy:** \$ 6,287**Regulatory Assets Second Tranche:** \$ 334

All three applications were amended to be consistent with the Board's guidelines. The MARR was re-allocated according to the Board approved method using the 1999 capital base shares. The fixed/variable split for the Hensall residential class was changed to the Board approved split. The regulatory assets recovery was allocated to all three service areas according to the 1999 capital base shares as approved in the 2004 rate adjustment process (RP-2004-0046/EB-2004-0032). The extra refund of RSVAs was removed and the recovery amounts of non-RSVAs were re-inserted.

Subject to these adjustments, the Board finds that the application conforms with earlier decisions of the Board (including approval for the Applicant's Conservation and Demand Management plan), directives and guidelines.

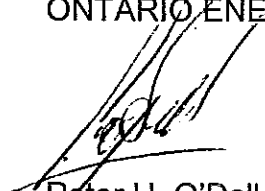
The Board will issue a separate decision on cost awards.

THE BOARD ORDERS THAT:

- 1) The rate schedules attached as Appendix "A" is approved effective March 1, 2005, to be implemented on April 1, 2005. All other rates currently in effect that are not shown on the attached schedules remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2005 implementation date, the new rates shall be implemented with the first billing cycle for electricity consumed or estimated to have been consumed after April 1, 2005.
- 2) The Applicant shall notify its customers of the rate changes, no later than with the first bill reflecting the new rates and include the brochure provided by the Board.

DATED at Toronto, March 29, 2005

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2005-0013
EB-2005-0027

March 29, 2005

ONTARIO ENERGY BOARD

Festival Hydro Inc.
Schedule of Changed Distribution Rates and Charges

Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RP-2005-0013
EB-2005-0027

RESIDENTIAL - Exclusive of Seaforth and Hensall

Monthly Service Charge	(per month)	\$13.17
Distribution Volumetric Rate	(per kWh)	\$0.0150

RESIDENTIAL - Seaforth

Monthly Service Charge	(per month)	\$15.65
Distribution Volumetric Rate	(per kWh)	\$0.0121

RESIDENTIAL - Hensall

Monthly Service Charge	(per month)	\$5.37
Distribution Volumetric Rate	(per kWh)	\$0.0084

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$26.16
Distribution Volumetric Rate	(per kWh)	\$0.0133

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	\$190.44
Distribution Volumetric Rate	(per kW)	\$1.9532

GENERAL SERVICE > 50 KW (Time of Use) - Customer 1

Monthly Service Charge	(per month)	\$4,051.02
Distribution Volumetric Rate	(per kW)	\$3.7321

GENERAL SERVICE > 50 KW (Time of Use) - Customer 2

Monthly Service Charge	(per month)	\$3,358.00
Distribution Volumetric Rate	(per kW)	\$7.0496

LARGE USE

Monthly Service Charge	(per month)	\$9,630.82
Distribution Volumetric Rate	(per kW)	\$0.8762

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	\$0.70
Distribution Volumetric Rate	(per kW)	\$3.6703

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per connection)	\$0.42
Distribution Volumetric Rate	(per kW)	\$1.9304

Unmetered Scattered Loads

Billed at General Service < 50 kW rates

Monthly Service Charge	(per connection)	\$26.16
Distribution Volumetric Rate	(per kWh)	\$0.0133

The rates on this schedule include an interim recovery of Regulatory Assets.

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**T2 CORPORATION INCOME TAX RETURN****200**

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** 89957 1814 RC0001**Corporation's name****002** Festival Hydro Inc.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** 187 Erie Street**012**

City Province, territory, or state

015 Stratford

Country (other than Canada)

017**018** N5A 2M6**016** ON

Postal code/Zip code

Has the address changed since the last time we were notified? **020** 1 Yes ☐ 2 No ☒**021** c/o**022** 187 Erie Street**023**

City Province, territory, or state

025 Stratford

Country (other than Canada)

027**028** N5A 2M6**026** ON

Postal code/Zip code

Has the location of books and records changed since the last time we were notified? **030** 1 Yes ☐ 2 No ☒**031** 187 Erie Street**032**

City Province, territory, or state

035 Stratford

Country (other than Canada)

037**038** N5A 2M6**036** ON

Postal code/Zip code

Has the type of corporation changed during the taxation year, provide the effective date of the change **043****040** Type of corporation at the end of the taxation year1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation2 ☐ Other private corporation 5 ☐ Other corporation (specify, below)3 ☐ Public corporationIf 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 ☒	9
Does the corporation have any non-resident shareholders?	151 ☐	19
Is the corporation an associated Canadian-controlled private corporation?	160 ☒	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 ☐	11
If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 ☐	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 ☐	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 ☐	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 <i>Income Tax Regulations</i> ?	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 ☒	50
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 ☒	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 ☒	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 ☒	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 ☒	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	Hydro Services	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 GIFL. 300 2,943,038 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")		2,943,038 C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355	D
Taxable income (amount C plus amount D)	360	2,943,038
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)		2,943,038 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	2,943,038	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 from Part I tax	405	2,943,038	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		=		1
		Number of days in the taxation year	365			
250,000	x	Number of days in the taxation year in 2004		=		2
		Number of days in the taxation year	365			
300,000	x	Number of days in the taxation year after 2004	365	=	300,000	3
		Number of days in the taxation year	365			
Add amounts at lines 1, 2, and 3						300,000 4

Business limit (see notes 1 and 2 below)	410	300,000	C

- Notes:**
- 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.
 - 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 ***	66,894	D	=	11,250		

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		=		A
			line 4 above				
Net active business income (amount from line 400) *						2,943,038	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			2,943,038				C

Deduct:

Aggregate investment income (amount from line 440 of page 6)				D			
Amount C minus amount D (if negative, enter "0")			2,943,038			2,943,038	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	_____	x 2 % =	_____	B
			Number of days in the taxation year	365			
Amount A	_____	x	Number of days in the taxation year in 2005	365	x 3 % =	_____	C
			Number of days in the taxation year	365			
Amount A	_____	x	Number of days in the taxation year in 2006	_____	x 5 % =	_____	D
			Number of days in the taxation year	365			
Amount A	_____	x	Number of days in the taxation year after 2006	_____	x 7 % =	_____	E
			Number of days in the taxation year	365			
Resource deduction – total of amounts B, C, D, and E (enter amount F on line 10 of page 7)				438	_____	F	

General tax reduction for Canadian-controlled private corporations**Canadian-controlled private corporations throughout the taxation year**

Taxable income from line 360 on page 3				_____	2,943,038	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	
					2,943,038		
Amount J	2,943,038	x	Number of days in the taxation year after 2003	365	x 7 % =	206,013	K
			Number of days in the taxation year	365			
General tax reduction for Canadian-controlled private corporations – amount K (enter amount L on line 638 of page 7)				_____	206,013	L	

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	x 7 % =	_____	T
			Number of days in the taxation year	365			
General tax reduction – amount T (enter amount U on line 639 of page 7)				_____		U	

Refundable portion of Part I tax**Canadian-controlled private corporations throughout the taxation year**

Aggregate investment income **440** x 26 2 / 3 % = ... A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7

Deduct:

Foreign investment income **445** x 9 1 / 3 % = ... B
(amount O from Part 1 of Schedule 7) (if negative, enter "0")

Amount A **minus** amount B (if negative, enter "0") C

Taxable income from line 360 on page 3 2,943,038

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 = ...

2,943,038
x 26 2 / 3 % = 784,810 D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) 650,999

Deduct: Corporate surtax from line 600 of page 7 32,962

Net amount 618,037 ▶ 618,037 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 1,025,957 x 1 / 3 341,986 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)

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** 1,118,354 A**Corporate surtax calculation**Base amount from line A above 1,118,354 1**Deduct:**10 % of taxable income (line 360 or amount Z, whichever applies) from page 3 294,304 2Investment corporation deduction from line 620 below 3 3Federal logging tax credit from line 640 below 4 4Federal qualifying environmental trust tax credit from line 648 below 5 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 the least:

28.00 % of taxable income from line 360 of page 3 a28.00 % of taxed capital gains bPart I tax otherwise payable c(line A **plus** lines C and D **minus** line F)Total of lines 2 to 6 294,304 7Net amount (line 1 **minus** line 7) 824,050 8**Corporate surtax** – 4.00 % of the amount on line 8 **600** 32,962 BRecapture of investment tax credit from line PPP in Part 21 of Schedule 31 **602** C**Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income**
(if it was a CCPC throughout the taxation year)Aggregate investment income from line 440 on page 6 iTaxable income from line 360 on page 3 2,943,038**Deduct:**Amount on line 400, 405, 410, or 425 of page 4,
whichever is the least Net amount 2,943,038 ▶ 2,943,038 ii**Refundable tax on CCPC's investment income** – 6 2 / 3 % of whichever is less: amount i or ii **604** DSubtotal (add lines A, B, C, and D) 1,151,316 E**Deduct:**Small business deduction from line 430 of page 4 9Federal tax abatement **608** 294,304Manufacturing and processing profits deduction from amount BB
or amount RR of Schedule 27 **616**Investment corporation deduction **620**(taxed capital gains **624**)Additional deduction – credit unions from Schedule 17 **628**Federal foreign non-business income tax credit from Schedule 21 **632**Federal foreign business income tax credit from Schedule 21 **636**Accelerated tax reduction from amount N on page 4 **637**Resource deduction from line 438 on page 5 10General tax reduction for CCPCs from amount L on page 5 **638** 206,013General tax reduction from amount U on page 5 **639**Federal logging tax credit from Schedule 21 **640**Federal political contribution tax credit **644**Federal political contributions **646** Federal qualifying environmental trust tax credit **648**Investment tax credit from Schedule 31 **652**Apprenticeship job creation tax credit 11Subtotal 500,317 ▶ 500,317 F**Part I tax payable** – Line E **minus** line F (enter amount G on line 700 of page 8) 650,999 G

Summary of tax and credits**Federal tax**

Part I tax payable from page 7	700	650,999
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		650,999

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	650,999 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	650,999
Total credits	890	650,999
Balance (line A minus line B)		650,999 B

Refund code 894 Overpayment

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.
Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid
Enclosed payment 898

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 Zehr 951 William 954 President
Last name First name Position, office, or rank
I 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 (519) 271-4700 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 Telephone number

Language of correspondence – Langue de correspondance

990 Indicate the language in which you would like to receive correspondence. 1 English / Anglais ☒ 2 Français / French ☐
Indiquer la langue de correspondance de votre choix.

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SCHEDULE 1

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end Year Month Day
Festival Hydro Inc.	89957 1814 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 1,528,356 A

Add:

Provision for income taxes – current	101	1,055,000	
Provision for income taxes – deferred	102	-130,000	
Interest and penalties on taxes	103	4,161	
Amortization of tangible assets	104	2,256,680	
Amortization of intangible assets	106	30,061	
Income or loss for tax purposes – joint ventures or partnerships	109	-1,216	
Non-deductible meals and entertainment expenses	121	715	
Reserves from financial statements – balance at the end of the year	126	1,240,577	
Subtotal of additions		4,455,978	4,455,978

Other additions:**Miscellaneous other additions:**

600 Capital tax expensed	290	95,000	
601 Regulatory asset recovered 100%	291	54,619	
602 Loss on disposal of fixed assets	292	3,765	
603b Ontario Specified Tax Credits			6,959
Total	293	6,959	
604a Vicwest difference (Div inc booked - actual per T3)		1,017	
Total	294	1,017	
Subtotal of other additions	199	161,360	161,360
Total additions	500	4,617,338	4,617,338

Deduct:

Gain on disposal of assets per financial statements	401	132,286	
Capital cost allowance from Schedule 8	403	1,599,998	
Cumulative eligible capital deduction from Schedule 10	405	11,773	
Reserves from financial statements – balance at the beginning of the year	414	1,152,145	
Subtotal of deductions		2,896,202	2,896,202

Other deductions:**Miscellaneous other deductions:**

700 Actual Capital tax	390	97,453	
701 Regulatory Asset Interest taken to income	391	209,001	
Subtotal of other deductions	499	306,454	306,454
Total deductions	510	3,202,656	3,202,656

Net income (loss) for income tax purposes – enter on line 300 of the T2 return 2,943,038

**DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND
PART IV TAX CALCULATION**

SCHEDULE 3

Name of corporation	Business Number	Taxation year end Year Month Day
Festival Hydro Inc.	89957 1814 RC0001	2005-12-31

- This schedule is for the use of any corporation to report:
 - non-taxable dividends under section 83;
 - deductible dividends under subsection 138(6);
 - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
 - taxable dividends paid for purposes of a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.
- A recipient corporation is connected with a payer corporation at any time in a taxation year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the sections about Schedule 3 in the *T2 Corporation Income Tax Guide*.
- "X" under column A if dividend received from a foreign source (connected corporation only).
- "X" under column B if the payer corporation is connected.
- "X" under column F1 if the dividends received are eligible to a gross-up of 45% for the purposes of the dividend tax credit for individuals.

Part 1 – Dividends received during the taxation year

Do not include dividends received from foreign non-affiliates.

Name of payer corporation (Use only one line per corporation, abbreviating its name if necessary)		Complete if payer corporation is connected		
		A	B	C D
				Business Number Taxation year end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends were paid YYYY/MM/DD
				200 205 210 220
1				
2				

Note: If your corporation's taxation year end is different than that of the connected payer corporation, your corporation could have received dividends from more than one taxation year of the payer corporation. If so, use a separate line to provide the information for each taxation year of the payer corporation.

			If payer corporation is not connected, leave these columns blank.		
E	F	F1	G	H	I
Non-taxable dividend under section 83	Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)		Total taxable dividends paid by connected payer corporation	Dividend refund of the connected payer corporation	Part IV tax before deductions $F \times 1 / 3 *$
230	240		250	260	270
1					
2					
Total (enter amount of column F on line 320 of the T2 return)					
					J

For dividends received from connected corporations: Part IV tax equals: $\frac{\text{Column F} \times \text{Column H}}{\text{Column G}}$

* Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
Public corporations (other than subject corporations) do not need to calculate Part IV tax.

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1)

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax **320**

Subtotal

Deduct:

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

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

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

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

Total losses applied against Part IV tax x 1 / 3 = ...

Part IV tax payable (enter amount on line 712 of the T2 return) **360**

Part 3 – Taxable dividends paid in the taxation year for purposes of a dividend refund

A	B	C	D
Name of connected recipient corporation	Business Number	Taxation year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD	Taxable dividends paid to connected corporations
400	410	420	430
1 City of Stratford	NR	2005-12-31	

Note

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

Total

Total taxable dividends paid in the taxation year to other than connected corporations **450** 1,025,957

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (total of column D above plus line 450) **460** 1,025,957

Eligible dividends paid that are included in line 460 (memo) (Press F1 for additional information)

Part 4 – Total dividends paid in the taxation year

Complete this part if the total taxable dividends paid in the taxation year for purposes of a dividend refund (line 460 above) is different from the total dividends paid in the taxation year.

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (from above) **460** 1,025,957

Other dividends paid in the taxation year (total of 510 to 540)

Total dividends paid in the taxation year **500** 1,025,957

Deduct:

Dividends paid out of capital dividend account **510**

Capital gains dividends **520**

Dividends paid on shares described in subsection 129(1.2) **530**

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year **540**

Subtotal ►

Total taxable dividends paid in the taxation year for purposes of a dividend refund 1,025,957

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SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation Festival Hydro Inc.	Business Number 89957 1814 RC0001	Taxation year end Year Month Day 2005-12-31

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class number	2 Undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year*	4 Net adjustments	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	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)**	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance (amount on line 107 of Schedule 1)	11 Terminal loss (amount on line 404 of Schedule 1)	12 Capital cost allowance (column 8 multiplied by column 9; or a lower amount) (amount on line 403 of Schedule 1)***	13 Undepreciated capital cost at the end of the year (column 6 minus column 12)
200	201	203	205	207		211		212	213	215	217	220
1	1	26,187,924	616,721	0	26,804,645	308,361	26,496,284	4	0	0	1,059,851	25,744,794
2	8	338,661	45,655	1,051	383,265	22,302	360,963	20	0	0	72,193	311,072
3	10	251,558	511,521	161,800	601,279	174,861	426,418	30	0	0	127,925	473,354
4	12	10,550	17,375	0	27,925	8,688	19,237	100	0	0	19,237	8,688
5	2	4,909,698		0	4,909,698		4,909,698	6	0	0	294,582	4,615,116
6	45	16,191	20,443	0	36,634	10,222	26,412	45	0	0	11,885	24,749
7	98		1,130,812	0	1,130,812	565,406	565,406	0	0	0		1,130,812
8	47		716,258	0	716,258	358,129	358,129	4	0	0	14,325	701,933
Total		31,714,582	3,058,785		162,851	1,447,969	33,162,547				1,599,998	33,010,518

* 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.



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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation Festival Hydro Inc.	Business Number 89957 1814 RC0001	Taxation year end Year Month Day 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. Festival Hydro Services Inc.		86295 3726 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)

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Taxation year end Year Month Day
Festival Hydro Inc.	89957 1814 RC0001	2005-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")	200	168,190	A
Add: Cost of eligible capital property acquired during the taxation year	222		
Other adjustments	226		
Subtotal (line 222 plus line 226)		x 3 / 4 =	B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228	x 1 / 2 =	C
amount B minus amount C (if negative, enter "0")			D
Amount transferred on amalgamation or wind-up of subsidiary	224		E
Subtotal (add amounts A, D, and E)	230	168,190	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H
Other adjustments	246		I
(add amounts G, H, and I)		x 3 / 4 =	248 J
Cumulative eligible capital balance (amount F minus amount J)		168,190	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)			
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249		
amount K		168,190	
less amount from line 249			
Current year deduction		168,190 x 7.00 % =	250 11,773 *
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		11,773	L
Cumulative eligible capital - Closing balance (amount K minus amount L) (if negative, enter "0")	300	156,417	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

(complete this part only if the amount at line K is negative)

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Canada Customs
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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	2 Business Number of associated corporations	3 Asso- ciation code	4 Business limit for the year (before the allocation) \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
	Festival Hydro Inc.	89957 1814 RC0001	1	300,000	100.0000	300,000
1	Festival Hydro Services Inc.	86295 3726 RC0001	1	300,000		
	Total				100.0000	300,000 A

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 $0.225\% \times (A - \$10,000,000)$ 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)

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SCHEDULE 33

PART I.3 TAX ON LARGE CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
Festival Hydro Inc.	89957 1814 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	1,240,577
Capital stock (or members' contributions if incorporated without share capital)	103	15,568,388
Retained earnings	104	3,292,488
Contributed surplus	105	
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	17,139,433
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

Subtotal 37,240,886

37,240,886 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121	1,813,000
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 1,813,000

1,813,000 B

Capital for the year (amount A minus amount B) (if negative, enter "0")

190 35,427,886

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	
A loan or advance to another corporation (other than a financial institution)	402	
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	

Notes:

- 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

Capital for the year (line 190)	35,427,886	C
Deduct: Investment allowance for the year (line 490)		D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	35,427,886

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)	35,427,886	x	Taxable income earned in Canada	610	2,943,038	=	Taxable capital employed in Canada	690	35,427,886
				Taxable income		2,943,038			

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

Part 5 – Calculation of gross Part 1.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)	35,427,886
Deduct: Capital deduction claimed for the year (enter \$50,000,000 or, for related corporations, the amount allocated on Schedule 36)	801 48,500,000
Excess of taxable capital employed in Canada over capital deduction	811
Line 811 $\frac{\text{Number of days in the taxation year before 2004}}{\text{Number of days in the taxation year}} \times 0.00225000$	F
Line 811 $\frac{\text{Number of days in the taxation year in 2004}}{\text{Number of days in the taxation year}} \times 0.00200000$	G
Line 811 $\frac{\text{Number of days in the taxation year in 2005}}{\text{Number of days in the taxation year}} \times 0.00175000$	H
Line 811 $\frac{\text{Number of days in the taxation year in 2006}}{\text{Number of days in the taxation year}} \times$	I
Line 811 $\frac{\text{Number of days in the taxation year in 2007}}{\text{Number of days in the taxation year}} \times$	J
Note: The Part 1.3 tax rate is reduced to 0% for the days in the taxation year that are after 2005.	
Subtotal (add amounts F to J)	K
Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part 1.3 tax as follows:	
Amount K $\frac{\text{Number of days in the year}}{365} \times$	L
Gross Part 1.3 tax (amount K or L, whichever applies)	820

Part 6 – Calculation of gross Part 1.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies)	35,427,886	M
Deduct: Line 801 above $\frac{48,500,000}{5} \times$	9,700,000	N
Excess (amount M minus amount N) (if negative, enter "0")	25,727,886	O
Amount O $\times 0.00225 =$	57,888	P
Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part 1.3 tax for purposes of the unused surtax credit as follows:		
Amount P $\frac{57,888}{365} \times$		Q
Gross Part 1.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies)	821 57,888	

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 $\frac{32,962}{35,427,886} \times \frac{\text{line 690 of this schedule}}{\text{line 500 of this schedule}} = \frac{32,962}{35,427,886}$ **c**
d) line 700 from the T2 return 650,999 **d** **S** 32,962

Current-year surtax credit available (amount R or S, whichever applies) **830** 32,962

Part 8 – Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830) 32,962
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821) 57,888

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) **T**

Deduct:

Current-year surtax credit applied (line 820 or 830, whichever is less) **861**
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37) **862**
Subtotal (cannot be more than amount on line 820) **U**

Net Part I.3 tax payable (amount T minus amount U) **870**

Enter this amount at line 704 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title LCT - Loans and advances

Description	Amount
Due to corporate shareholder	836,855 00
Due to related party	192,299 00
Customer deposits - current portion	169,186 00
Customer deposits - long term portion	341,093 00
Demand notes payable	15,600,000 00
Total	17,139,433 00



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

SCHEDULE 36

AGREEMENT AMONG RELATED CORPORATIONS – PART 1.3 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 1.3 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	Business Number (if a corporation is not registered, enter "NR")	Allocation of capital deduction for the year \$	Taxation year end to which this agreement applies* (YYYY/MM/DD)
200	300	400	500
Festival Hydro Inc.	89957 1814 RC0001	48,500,000	
1 Festival Hydro Services Inc.	86295 3726 RC0001	1,500,000	

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.



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
Festival Hydro Inc.	89957 1814 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)		Business Number	Social Insurance Number	Trust Number	Percentage common shares	Percentage preferred shares
100		200	300	350	400	500
1	Corporation of the City of Stratford	NR			100.000	100.000
2						
3						
4						
5						
6						
7						
8						
9						
10						

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	1800294	2005-12-31

Instructions for completing the ATTC Claim Form

- Enter the relevant details for each eligible apprentice, including the amount of tax credit.
- Your total tax credit for the taxation year is equal to the sum of the tax credits for each eligible apprentice.
- Enter the total tax credit claimed on line 203, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- Enter the total number of apprentices hired on line 202, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- Corporations are eligible for a 25% (30% in the case of corporations with payroll not exceeding \$400,000) refundable tax credit on wages and salaries paid or payable for services performed after May 18, 2004 by an eligible apprentice during the first 36 months of an apprenticeship.
- The maximum amount of credit that can be claimed in respect of each eligible apprentice is \$5,000 per year to a maximum of \$15,000 over the first 36 months of the apprenticeship. The maximum annual tax credit of \$5,000 is pro-rated for the number of days the apprentice was employed during the taxation year.
- The credit is *considered government assistance* and is therefore *to be included in income* in the year the credit is claimed.

Summary of Apprenticeship Training Tax Credit Claimed

Complete a separate entry for each eligible apprentice that is in a qualifying skilled trade and hired before January 1, 2008. This credit applies to **salaries and wages paid after May 18, 2004 and before January 1, 2011** to eligible apprentices during the first 36 months of an apprenticeship.

Example: A taxpayer, with a December 31, 2004 taxation year end, hires an otherwise eligible apprentice on June 1, 2004 at a salary of \$3,500 per month. The taxpayer's salaries and wages in the preceding taxation year were \$700,000. The credit claimed is the lesser of **(1)** 25% of salaries paid to the apprentice during the period of employment (25% x \$3,500 x 7 = \$6,125), and **(2)** \$5,000 multiplied by the number of days the apprentice was employed during the taxation year, divided by the total number of days in the calendar year (\$5,000 x 214/366 = \$2,923). Hence, the credit claimed in the 2004 taxation year is \$2,923.

Eligible Apprenticeship

Trade Code	Description of Apprenticeship Program	Apprentice Name and Social insurance No. (SIN)	Registration Date of Apprenticeship Contract or Training Agreement year month day	Contract or Agreement No.	Employment Period year month day	Eligible Expenditures (EE)	* Credit Claimed (see notes below)
434a	Power Lineworker	Name Beau Dill SIN 539 014 803	2003-02-06	A68892	From 2005-01-01 To 2005-12-31	43,708	5,000
434a	Power Lineworker	Name Jason Pitts SIN 489 871 053	2005-08-11	D16109	From 2005-08-11 To 2005-12-31	13,785	1,959
		Name SIN			From To		

If insufficient space, attach schedule

Totals 5874 57,493 5898 6,959

Corporation's salaries & wages paid in the preceding taxation year A \$ 2,694,783 ●

- If A is \$600,000 or greater use 25%.
- If A is \$400,000 or less use 30%.
- If A is over \$400,000 but less than \$600,000 use the following formula to calculate the specified percentage:

$$\text{Specified percentage} = .30 - [.05 (\text{From } \underline{A} \text{ } \underline{2,694,783} \text{ } \bullet - \$400,000) \div \$200,000]$$

Indicated specified percentage used 25.0000 %

* Credit claimed equals lesser of:

- EE multiplied by the specified percentage, and
- \$5,000 x number of days the apprentice was employed in the taxation year
365 (366 if leap year)

Total Number of Apprentices = 5896 2 ●

Transfer to 202 on Page 7 of the CT23 Long or Page 4 of the CT23 Short, or Page 4 of the CT8

**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.

MGS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide)

☒ Yes☐ No**Page 1 of 20**

Ministry Use

Corporation's Legal Name (including punctuation) Festival Hydro Inc.			Ontario Corporations Tax Account No. (MOF) 1800294		
Mailing Address 187 Erie Street Stratford ON CA N5A 2M6			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 Incorporation or Amalgamation year month day 2000-07-11		
Date of Change year month day			Ontario Corporation No. (MGS) 1484983		
Registered/Head Office Address 187 Erie Street Stratford ON CA N5A 2M6			Canada Revenue Agency Business No. If applicable, enter 89957 1814 RC0001		
Location of Books and Records 187 Erie Street Stratford ON CA N5A 2M6			Jurisdiction Incorporated Ontario		
Name of person to contact regarding this CT23 Return William Zehr		Telephone No. (519) 271-4700	Fax No. (519) 271-7204		
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MGS) Ontario Canada					
Former Corporation Name (Extra-Provincial Corporations only)		☒ 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).			☒ No Change		
			Preferred Language / Langue de préférence ☒ 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)

William Zehr

Title: ☐ Director ☒ Officer ☐ 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.

Festival Hydro Inc.

1800294

2005-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

Type of corporation

1 ☒ 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 ☒ 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

☐ ☒ Was the corporation inactive throughout the taxation year?

☒ ☐ Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?

Are you requesting a refund due to:

☐ ☒ the Carry-back of a Loss?

☐ ☒ an Overpayment?

☐ ☒ a Specified Refundable Tax Credit?

☐ ☒ 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

Hydro Services

DOLLARS ONLY

Taxable Income

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

☒ Yes ☐ No

Ontario Business Limit Calculation

*** **Note:** Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

CORPORATE TAXPREP - 2006 CT23 - 2006 V.1 - 070A

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

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

$$\frac{\text{From } 100}{34,000} \div \frac{\text{From } 30}{100.000\%} \div \frac{\text{From } 78}{8.5000\%} = 121 \quad 400,000.$$

*Ontario Allocation

Lesser of 56 or 121 - - - - - + 122 400,000.

120 - 56 + 122 - - - - - = 130 _____.

Taxable Income - - - - - + From 10 2,943,038.

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 2,943,038 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 2,943,038.

Claim**Number of Days in Taxation Year**

Days after Dec. 31, 2002
and before Jan. 1, 2004

Total Days

$$\frac{143}{\text{Lesser of } 130 \text{ or } 142} \times \frac{\text{From } 30}{100.000\%} \times 1.5\% \times \frac{33}{73} \div \frac{365}{365} = + 154$$

Ontario Allocation

Days after Dec. 31, 2003

Total Days

$$\frac{143}{\text{Lesser of } 130 \text{ or } 142} \times \frac{\text{From } 30}{100.000\%} \times 2\% \times \frac{34}{73} \div \frac{365}{365} = + 156$$

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 - - - - - = 190 412,025.

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 scientific research and experimental development in Ontario.Eligible Credit From OITC Claim Form *(Attach original Claim Form)* - - - - - + **Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies* to employment of eligible students.Eligible Credit From CT23 Schedule 113 *(Attach Schedule 113)* - - - - - + **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 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) - - - - - + **Graduate Transitions Tax Credit (GTTC) (s.43.6)***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. Eligible Credit From CT23 Schedule 115 *(Attach Schedule 115)* - - - - - + **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 OBPTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)* - - + **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 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) - - - - - + **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 OBRITC Claim Form *(Attach original Claim Form)* - - - - - + **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 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) - - - - - + **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 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) - - - - - + **Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)***Applies* to qualifying expenditures in respect of eligible Canadian sound recordings.Eligible Credit From OSRTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)* - - + **Apprenticeship Training Tax Credit (ATTC) (s.43.13)***Applies* to employment of eligible apprentices. Eligible Credit From CT23 Schedule 114 *(Attach Schedule 114)* - - - - - + Other (specify) - - - - - + **Total Specified Tax Credits** + + + + + + + + + + + = **Specified Tax Credits** *Applied to reduce Income Tax* - - - - - = **Income Tax** - **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* - - - - =

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 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**.

Total Assets of the corporation	- - - - - + [240]	43,894,030 ●
Total Revenue of the corporation	- - - - - + [241]	9,214,540 ●

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			
Festival Hydro Services Inc.	1800087	2005-12-31	+	243	1,479,968 ●	+	244	564,868 ●
			+	245	●	+	246	●
			+	247	●	+	248	●
Aggregate Total Assets	240 + 243 + 245 + 247, etc.	- - - - -	=	249	45,373,998 ●			
Aggregate Total Revenue	241 + 244 + 246 + 248, etc.	- - - - -	=	250	9,779,408 ●			

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	2,453,356.	X From	30	100.0000 % X	4 %	=	276	98,134.
				If negative, enter zero			Ontario Allocation					
Subtract: Foreign Tax Credit for CMT purposes (<i>Attach Schedule</i>)	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-		277	
Subtract: Income Tax	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	From	190	412,025.

Net CMT Payable	(If negative, enter Nil on Page 17.)	- - - - - =	280	-313,891.

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]	412,025 .
	Gross CMT Payable	-	-	-	-	-	-	-	-	-	-	-	+ From [276]	98,134 .
	Subtract: Foreign Tax Credit for CMT purposes	-	-	-	-	-	-	-	-	-	-	-	- From [277]	.
	If [276] - [277] is negative, enter NIL in [290]	=											[290]	98,134 . ▶ -
	Income Tax eligible for CMT Credit	-	-	-	-	-	-	-	-	-	-	-	= [300]	313,891 .

B.	Income Tax (after deduction of specified credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	+	From	230	405,066 ●
	Subtract: CMT credit used to reduce income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		310	●	
	Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	=		320	405,066 ●	

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.

Festival Hydro Inc.

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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	15,568,388
Retained earnings (if deficit, deduct) (Int.B. 3012R)	- - - - -	±	351	3,292,488
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	- - - - -	+	352	.
Loans and advances (Attach schedule) (Int.B. 3013R)	- - - - -	+	353	17,139,433
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	-1,813,000
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	5,587,366
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	- - - - -	+	362	.
Subtotal	- - - - -	=	370	39,774,675
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	39,774,675
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	39,774,675

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	.
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	.

continued on Page 10

Total Assets (Int.B. 3015R)**DOLLARS ONLY**

Total Assets per balance sheet		+	420	43,894,030
Mortgages or other liabilities deducted from assets		+	421	
Share of partnership(s)/joint venture(s) total assets <i>(Attach schedule)</i>		+	422	
Subtract: Investment in partnership(s)/joint venture(s)		-	423	
Total Assets as adjusted		=	430	43,894,030
Amounts in 360 and 361 (if deducted from assets)		+	440	
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	43,894,030

Investment Allowance (÷) x - - - - - Not to exceed =

Taxable Capital	390	-	460	- - - - -	=	470	39,774,675.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	- - -	480	9,214,540.

Total Assets (as adjusted) - - - - - From 430 43,894,030.

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 _____ .
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 and on page 10 are both \$3,000,000 or less, enter NIL in 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.

Continued on Page 11

continued on Page 11

If floating taxation year, refer to Guide.

Transfer to **543** on page 12 and
complete the return from that point

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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. ☒ 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 filedTaxable Capital From ☐ 470 on page 10 - - - - - + From ☐ 470 39,774,675.**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

Festival Hydro Services Inc.	1800087	2005-12-31	+ ☐ 531	1,144,786.
			+ ☐ 532	.
			+ ☐ 533	.
Aggregate Taxable Capital	☐ 470 + ☐ 531 + ☐ 532 + ☐ 533 , etc.	- - - - -	= ☐ 540	40,919,461.

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 39,774,675. ÷ From ☐ 540 40,919,461. × From ☐ 503 7,500,000. = ☐ 541 7,290,176.

Transfer to ☐ 542 in Section E on page 12**Ss.69(2.1) Election Filed**☐ 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

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 %

x

Days in taxation year
555 365 ÷ * 365 (366 if leap year)

=

+

569

Ontario Allocation

570

Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount

x

571

x

From 30

100.0000 %

x

Days in taxation year
555 365 ÷ * 365 (366 if leap year)

=

+

574

Capital Tax Rate
(Refer to Guide)

Ontario Allocation

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 2,943,038 ●
Transfer to Page 15

Add:

Federal capital cost allowance	- - - - -	+	601	1,599,998 ●
Federal cumulative eligible capital deduction	- - - - -	+	602	11,773 ●
Ontario taxable capital gain	- - - - -	+	603	●
Federal non-allowable reserves. Balance beginning of year	- - - - -	+	604	1,152,145 ●
Federal allowable reserves. Balance end of year	- - - - -	+	605	●
Ontario non-allowable reserves. Balance end of year	- - - - -	+	606	1,240,577 ●
Ontario allowable reserves. Balance beginning of year	- - - - -	+	607	●
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	- - - - -	+	608	●
Federal resource allowance (<i>Refer to Guide</i>)	- - - - -	+	609	●
Federal depletion allowance	- - - - -	+	610	●
Federal foreign exploration and development expenses	- - - - -	+	611	●
All Crown charges, royalties, rentals, etc. deducted for Federal purposes (<i>Refer to Guide</i>)	- - - - -	+	617	●
Management fees, rents, royalties and similar payments to non-arm's length non-residents ▼				

Number of Days in Taxation Year

Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days
612 × 5 / 12.5 × 33 ÷ 73	365	+
612 × 5 / 14 × 34 ÷ 73	365	+
633		
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 - - - = 4,004,493 ● 640 4,004,493 ●
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	- - - - -	+	650	1,599,998 ●
Ontario cumulative eligible capital deduction	- - - - -	+	651	11,773 ●
Federal taxable capital gain	- - - - -	+	652	●
Ontario non-allowable reserves. Balance beginning of year	- - - - -	+	653	1,152,145 ●
Ontario allowable reserves. Balance end of year	- - - - -	+	654	●
Federal non-allowable reserves. Balance end of year	- - - - -	+	655	1,240,577 ●
Federal allowable reserves. Balance beginning of year	- - - - -	+	656	●
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (<i>Retain calculations. Do not submit.</i>)	- - - - -	+	657	●
Ontario depletion allowance	- - - - -	+	658	●
Ontario resource allowance (<i>Refer to Guide</i>)	- - - - -	+	659	●
Ontario current cost adjustment (<i>Attach schedule</i>)	- - - - -	+	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 4,004,493 ●
Transfer to Page 15

continued on Page 15

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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** 2,943,038 ●

Total of Additions on page 14 - - - - - From = **640** 4,004,493 ●

Sub Total of deductions on page 14 - - - - - From = **681** 4,004,493 ●

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:

$$\begin{array}{rcl} \text{Gross-up of CCA} & & \\ \left[\begin{array}{l} \text{From } \mathbf{662} \text{ } \bullet \\ \times \\ \text{From } \mathbf{30} \text{ } \bullet \\ \hline \mathbf{100.0000} \end{array} \right] \times \left[\begin{array}{l} \mathbf{100} \\ \hline \mathbf{100.0000} \end{array} \right] & - \text{ From } \mathbf{662} \text{ } \bullet & = \mathbf{663} \text{ } \bullet \\ \text{Ontario Allocation} & & \end{array}$$

Workplace Child Care Tax Incentive (WCCT)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

$$\begin{array}{rcl} \text{Qualifying expenditures: } \left[\begin{array}{l} \mathbf{665} \text{ } \bullet \\ \times \\ \text{From } \mathbf{30} \text{ } \bullet \\ \hline \mathbf{100.0000} \end{array} \right] \times \left[\begin{array}{l} \mathbf{30 \%} \\ \times \\ \mathbf{100} \\ \hline \mathbf{100.0000} \end{array} \right] & = & \mathbf{666} \text{ } \bullet \\ & \text{Ontario allocation} & \end{array}$$

Workplace Accessibility Tax Incentive (WATI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

$$\begin{array}{rcl} \text{Qualifying expenditures: } \left[\begin{array}{l} \mathbf{667} \text{ } \bullet \\ \times \\ \text{From } \mathbf{30} \text{ } \bullet \\ \hline \mathbf{100.0000} \end{array} \right] \times \left[\begin{array}{l} \mathbf{100 \%} \\ \times \\ \mathbf{100} \\ \hline \mathbf{100.0000} \end{array} \right] & = & \mathbf{668} \text{ } \bullet \\ & \text{Ontario allocation} & \end{array}$$

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)

$$\begin{array}{rcl} \text{Qualifying expenditures: } \left[\begin{array}{l} \mathbf{670} \text{ } \bullet \\ \times \\ \text{From } \mathbf{30} \text{ } \bullet \\ \hline \mathbf{100.0000} \end{array} \right] \times \left[\begin{array}{l} \mathbf{30 \%} \\ \times \\ \mathbf{100} \\ \hline \mathbf{100.0000} \end{array} \right] & = & \mathbf{671} \text{ } \bullet \\ & \text{Ontario allocation} & \end{array}$$

Educational Technology Tax Incentive (ETTI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

$$\begin{array}{rcl} \text{Qualifying expenditures: } \left[\begin{array}{l} \mathbf{672} \text{ } \bullet \\ \times \\ \text{From } \mathbf{30} \text{ } \bullet \\ \hline \mathbf{100.0000} \end{array} \right] \times \left[\begin{array}{l} \mathbf{15 \%} \\ \times \\ \mathbf{100} \\ \hline \mathbf{100.0000} \end{array} \right] & = & \mathbf{673} \text{ } \bullet \\ & \text{Ontario allocation} & \end{array}$$

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** = 4,004,493 ● **680** 4,004,493 ●

Net income (loss) for Ontario Purposes **600** + **640** - **680** - - - - - = **690** 2,943,038 ●

Transfer to Page 4

DOLLARS ONLY

Continuity of Losses Carried Forward

	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 1996-12-31	817 (9)	860 (9)		850	870
801 8th preceding taxation year 1997-12-31	818 (9)	861 (9)		851	871
802 7th preceding taxation year 1998-12-31	819 (9)	862 (9)		852	872
803 6th preceding taxation year 1999-12-31	820	830	840	853	873
804 5th preceding taxation year 2000-12-31	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.

Festival Hydro Inc.

1800294

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:
 - the first day of the taxation year after the loss year,
 - the day on which the corporation's return for the loss year is delivered to the Minister, or
 - 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) 3 rd preceding	901 2002-12-31	911 921	931	941
ii) 2 nd preceding	902 2003-12-31	912 922	932	942
iii) 1 st 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	405,066	•
Corporate Minimum Tax	- - - - - +	From 280		•
Capital Tax	- - - - - +	From 550	97,453	•
Premium Tax	- - - - - +	From 590		•
Total Tax Payable	- - - - - =	950	502,519	•
Subtract: Payments	- - - - - -	960	451,825	•
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	50,694	•
If payment due	- - - - - Enclosed *	990	50,694	•
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)

William Zehr

Title

President

Full Residence Address

187 Erie Street

Stratford

ON CA N5A 2M6

Signature

Date

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Attached Schedule with Total

Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)

Title Reserves not Deducted for Tax Purposes

Description	Amount
Post Employment Benefits	1,240,577 00
Deduct: Allowance for uncollectible interest	-326,104 00
NBV of fixed assets	-28,750,400 00
Less: land	340,120 00
Organization costs	-135,901 00
less: UCC sch 8	33,010,518 00
less: CEC sch 10 x 4/3	208,556 00
Total	5,587,366 00

Attached Schedule with Total

Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)

Title OCT - NBV vs. UCC

Description	Amount
NBV of capital assets	
Less: Land	
Organizational costs	
Less: UCC per SCH 008	
Less: CEC x 4/3	
Total	

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Page 1 of 3

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	1800294	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 1,528,356.

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 130,000 .
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 = 130,000. ▶ - 2110 130,000.

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes + 2111 1,055,000 .
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 = 1,055,000. ▶ + 2116 1,055,000.

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.s.13(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 2,453,356.

** 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 2,453,356.

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 2,453,356.

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

CT23 Schedule 101

Corporation's Legal Name Festival Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 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	.....	=			.....
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	.....	=			.....
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 1996-12-31	2260	2280
2241	8th preceding taxation year 1997-12-31	2261	2281
2242	7th preceding taxation year 1998-12-31	2262	2282
2243	6th preceding taxation year 1999-12-31	2263	2283
2244	5th preceding taxation year 2000-12-31	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.

**Corporate Minimum Tax (CMT)
CT23 Schedule 101****Page 3 of 3**

Corporation's Legal Name Festival Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 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 1996-12-31	[2360]	[2380]
[2341]	8th preceding taxation year 1997-12-31	[2361]	[2381]
[2342]	7th preceding taxation year 1998-12-31	[2362]	[2382]
[2343]	6th preceding taxation year 1999-12-31	[2363]	[2383]
[2344]	5th preceding taxation year 2000-12-31	[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] .

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name Festival Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800294	Taxation Year End 2005-12-31

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	1995-12-31					
9th Prior Year	1996-12-31					
8th Prior Year	1997-12-31					
7th Prior Year	1998-12-31					
6th Prior Year	1999-12-31					
5th Prior Year	2000-12-31					
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
1995-12-31						
1996-12-31						
1997-12-31						
1998-12-31						
1999-12-31						
2000-12-31						
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
Festival Hydro Inc.	1800294	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
1995-12-31						
1996-12-31						
1997-12-31						
1998-12-31						
1999-12-31						
2000-12-31						
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
Festival Hydro Inc.	1800294	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	1995-12-31					
9th Prior Year	1996-12-31					
8th Prior Year	1997-12-31					
7th Prior Year	1998-12-31					
6th Prior Year	1999-12-31					
5th Prior Year	2000-12-31					
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
1995-12-31						
1996-12-31						
1997-12-31						
1998-12-31						
1999-12-31						
2000-12-31						
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
1995-12-31						
1996-12-31						
1997-12-31						
1998-12-31						
1999-12-31						
2000-12-31						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
	Total					

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	1800294	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 Shareholder	+	836,855
Due to related party	+	192,299
Customer deposits - short-term	+	169,186
Customer deposits	+	341,093
Demand notes payable	+	15,600,000
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
Total		
Transfer to 353 of the CT23		=
		17,139,433

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	1800294	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	26,187,924	616,721		0	26,804,645	308,361	26,496,284	4	0	0	1,059,851	25,744,794
8	338,661	45,655		1,051	383,265	22,302	360,963	20	0	0	72,193	311,072
10	251,558	511,521		161,800	601,279	174,861	426,418	30	0	0	127,925	473,354
12	10,550	17,375		0	27,925	8,688	19,237	100	0	0	19,237	8,688
2	4,909,698			0	4,909,698		4,909,698	6	0	0	294,582	4,615,116
45	16,191	20,443		0	36,634	10,222	26,412	45	0	0	11,885	24,749
98		1,130,812		0	1,130,812	565,406	565,406	0	0	0		1,130,812
47		716,258		0	716,258	358,129	358,129	4	0	0	14,325	701,933
Totals	31,714,582	3,058,785		162,851	34,610,516	1,447,969	33,162,547				1,599,998	33,010,518

 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.



Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	1800294	2005-12-31

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) 168,190 **A**

Add: Cost of eligible capital property acquired during the taxation year .. + **B**
Amount transferred on amalgamation or wind-up of subsidiary + **C**
Other adjustments + **D**
Total of B + C + D = ... x 3 / 4 = **E**
Subtotal A + E = 168,190 **F**

Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year + **G**
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada) + **H**
Other adjustments + **I**
Total of G + H + I = ... x 3 / 4 = **J**

Ontario cumulative eligible capital balance F - J = 168,190 **K**

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction 168,190 **K** x 7 % * = 11,773 **L**

* The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.

Enter amount in box 651 of the CT23

Ontario cumulative eligible capital – closing balance K - L (if negative, enter zero) = 156,417 **M**

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 – Amount to be included in income arising from disposition

Only complete this part only if the amount at line K is negative

Amount from line K above show as a positive amount **N**

Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 **1**

Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA **2**

Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 **3**

Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 **4**

Line **3** deduct line **4** **5**

Total lines **1 + 2 + 5** **6**

Line **T** from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 **7**

Deduct line **7** from line **6** **O**

N - O (cannot be negative) **P**

Amount on line **5** x 1 / 2 **Q**

P - Q **R**

Amount on line **R** x 2 / 3 **S**

Lesser of line **N** or line **O** **T**

Amount to be included in income S + T **S + T**

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate **S**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Festival Hydro Inc.	1800294	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 Benefit	1,152,145		88,432			1,240,577
Reserves from Part 2						
Totals	1,152,145		88,432			1,240,577

Enter in box **653** of the CT23

Enter in box **606** of the CT23

Corporate Taxpayer Summary

Corporate information

Corporation's name: Festival Hydro Inc.Taxation Year: 2005-01-01 to 2005-12-31Jurisdiction: Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Corporation is associated: Y Number of associated corporations: 1Corporation is related: Y Type of corporation: Canadian-Controlled Private Corporation

Summary of federal information

Net income: 2,943,038 Calculation of income from an active business carried on in Canada: 2,943,038Taxable income: 2,943,038 Dividends paid: 1,025,957

Donations: _____

Credits against part I tax

Small business deduction _____
M&P deduction _____
Foreign tax credit _____
Political contributions .. _____
Investment tax credits .. _____
Abatement/Other* 500,317

Federal taxes

Part I 618,037
Surtax 32,962
Part I.3 _____
Part IV _____
Part I & Surtax ... 650,999
Other* _____

Refunds/credits

ITC refund _____
Dividends refund .. _____
Instalments 650,999
Surtax credit _____
Other* _____

Balance due/refund (–) _____

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryback amounts

Investment tax credits	_____	Restricted farm loss	_____
Non-capital loss	_____	Surtax credit	_____
Capital loss	_____	Part I tax credit (Schedule 42)	_____
Farm loss	_____	Federal foreign non-business income tax credit ..	_____

Carryforward balances

RDTOH	_____	Foreign business tax credit	_____
Charitable donations	_____	Unused surtax credit	_____
Gifts to Canada, a province or a territory	_____	Capital dividend amount	_____
Gifts of certified cultural property	_____	Part I tax credit (Schedule 42)	<u>1,953,341</u>
Gifts of certified ecologically sensitive land	_____	Cumulative eligible capital	<u>156,417</u>
Investment tax credits	_____	Capital gains reserves	_____
Non-capital losses	_____	Financial statement reserve	<u>1,240,577</u>
Capital/L.P.P. losses	_____	Other reserves	_____
Farm losses	_____	Balance of patronage dividends	_____
Restricted farm losses	_____	Continuity of exemption of accumulated income	_____

Summary of provincial information – provincial income tax payable

	Ontario (CT-23)	Québec (CO-17)	Alberta (AT1)
% Allocation	100.00		
Attributed taxable income	2,943,038		
Tax payable before deduction*	412,025		
Deductions and credits	6,959		
Net tax payable	405,066		
Attributed taxable capital	39,774,675		N.A.
Capital tax payable**	97,453		N.A.
Total tax payable***	502,519		
Instalments and refundable credits	451,825		
Balance due/Refund (-)	50,694		

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes corporate minimum tax and premium tax.

	British Columbia	Saskatchewan	Manitoba	
% Allocation				
Attributed taxable income				
Tax payable before deduction				
Deductions and credits				
Net income tax to pay (refer to Schedule 5 and to the T2)				
Attributed taxable capital				
Capital tax payable				
Instalments and refundable credits				
Balance due/Refund (-)				
	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick
% Allocation				
Attributed taxable income				
Tax payable before deduction				
Deductions and credits				
Net income tax to pay (refer to Schedule 5 and to the T2)				
Attributed taxable capital				
Capital tax payable				
Instalments and refundable credits				
Balance due/Refund (-)*				

* Only applies in the case of bank, a loan corporation or a trust corporation.

	Yukon	Northwest Territories	Nunavut
% Allocation			
Attributed taxable income			
Tax payable before deduction			
Deductions and credits			
Net income tax to pay (refer to Schedule 5 and to the T2)			

Summary of provincial carryforward amounts

	Ontario	Québec	Alberta
Non-capital losses			
Net capital/L.P.P. losses			
Farm losses			
Restricted farm losses			
Donations			
Capital gains reserves			
Financial statement reserves	1,240,577	1,240,577	1,240,577
Other reserves			
Eligible capital	156,417	156,417	156,417

Other carryforward amounts:

Scientific research and experimental development – Sch. 425	
Manufacturing and processing – Sch. 426	
Research and development – Sch. 380	
Manufacturing investment – Sch. 381	
Co-operative education – Sch. 384	
Odour control – Sch. 385	
Manufacturing and processing – Sch. 401	
Manufacturing and processing investment – Sch. 402	
Research and development – Sch. 403	
Direct equity tax – Sch. 303	
Investment – Ann. 321	
Manufacturing and processing investment – Sch. 344	
Research and development – Sch. 360	
Investment – Sch. 480	
Foreign non-business income tax credits – L422	
Continuity of other eligible CMT losses – Filling Corporation – OCMT101	
Predecessor corporations only – Amalgamation – OCMT101	
Predecessor corporations only – Wind-up – OCMT101	
CMT credit carryovers workchart - Filling Corporation – OCMT101	
CMT credit carryovers workchart - Predecessor corporations only – Amalgamation	
CMT credit carryovers workchart - Wind-up – OCMT101	
Continuity Schedule for Federal ITC relating to SR&ED Expenditures for the Preceding Taxation Year - O161 ..	
Continuity Schedule for the Amount of Federal ITC from SR&ED Expenditures relating to QORD for the Preceding Taxation Year - O161	

Five Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information					
Taxation year end	<u>2005-12-31</u>	<u>2004-12-31</u>	<u>2003-12-31</u>	<u>2002-12-31</u>	<u>2001-12-31</u>
Net income	<u>2,943,038</u>	<u>2,413,946</u>	<u>3,185,651</u>		
Taxable income	<u>2,943,038</u>	<u>2,413,946</u>	<u>3,185,651</u>		
Active business income	<u>2,943,038</u>	<u>2,413,946</u>	<u>3,185,651</u>		
Dividends paid	<u>1,025,957</u>	<u>1,025,872</u>	<u>1,025,872</u>		
Donations					
Balance due/refund (-)		<u>182</u>			

Federal taxes					
Part I	<u>618,037</u>	<u>506,928</u>	<u>732,699</u>		
Surtax	<u>32,962</u>	<u>27,036</u>	<u>35,679</u>		
Part I.3			<u>28,856</u>		
Part IV					
Part I & Surtax	<u>650,999</u>				
Other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Credits against part I tax					
Small business deduction					
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit					
Abatement/other*	<u>500,317</u>	<u>241,395</u>	<u>318,565</u>		
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Refunds/credits					
ITC refund					
Dividend refund					
Instalments	<u>650,999</u>	<u>533,782</u>	<u>797,234</u>		
Surtax credit					
Other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Ontario					
Taxable income	<u>2,943,038</u>	<u>2,413,946</u>	<u>3,185,651</u>		
Income tax payable before deduction	<u>412,025</u>	<u>337,952</u>	<u>398,206</u>		
Income tax deductions /credits	<u>6,959</u>	<u>2,555</u>			
Net income tax payable	<u>405,066</u>	<u>335,397</u>	<u>398,206</u>		
Taxable capital	<u>39,774,675</u>	<u>39,203,393</u>	<u>41,129,489</u>		
Capital tax payable	<u>97,453</u>	<u>103,052</u>	<u>108,833</u>		
Total tax payable*	<u>502,519</u>	<u>438,449</u>	<u>507,039</u>		
Instalments and refundable credits	<u>451,825</u>				
Balance due/refund	<u>50,694</u>	<u>-298,637</u>	<u>404,262</u>		
* This includes corporate minimum tax and premium tax.					



Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E5

hydro PIL

Statement of Account

Electricity for transa 3 • Corporations Tax Act, R.S.O. 1990
up to and including 2006/08/01

FESTIVAL HYDRO INC.

Account No.

1800294

Statement Date

(year, month, day)

2006/08/01

Page

1 of 1

TRANSACTIONS BY ASSESSED TAXATION YEAR

EFFECTIVE DATE	ID NUMBER	DESCRIPTION	AMOUNT	BALANCE
2006/07/05		OPENING BALANCE FOR: 2005/12/31	1,154,398.00CR	
2006/07/12	137	return assessment	1,153,518.00	
2006/07/12	138	interest - assessment *	1,873.10CR	
2006/07/31	139	PIL refund	2,757.40	
2006/08/01	141	interest *	4.30CR	0.00
		BALANCE		0.00

7880 overpaid

TRANSACTIONS BY UNASSESSED TAXATION YEAR

2006/07/05		OPENING BALANCE FOR: 2006/12/31	558,654.00CR
2006/07/27	140	PIL payment	99,146.00CR
		BALANCE	657,800.00CR

The 2001 Ontario Budget simplified instalment requirements for corporations with total tax payable in the current or preceding year of \$2,000 or more and less than \$10,000. For tax years commencing after 2001, these corporations may now pay quarterly instalments.

Festival Hydro Inc.
2005 PIL recovery - at 7.25%

Total 2005 PILs	1,252,830.00
Monthly amount to set up	<u>12 months</u> <u>104,402.50</u>

Started recovery in April

Hensall	6,287.00
Seaforth	24,557.00
FHI	<u>1,221,986.00</u>
	1,252,830.00
	939,622.50

Jan Feb Mar 2005

Use 2002 PIL Proxy 1,226,571.00 **102,214.25** Per month

Apr to Dec - Use 2005 Pil Proxy **104,402.50** Per month

Interest Calculation	Outstanding Balance	Interest Income A/c 4405	Outstanding Principal	Total Recovered	
Jan-05 Opening Balance	0.00		0.00		
1 month new PILS	102,214.25		102,214.25		
Interest @ 7.25	0.00	0.00	0.00		
Jan Closing Balance	<u>102,214.25</u>	<u>0.00</u>	<u>102,214.25</u>	<u>0.00</u>	<u>0.00</u>
Feb-05 Opening Balance	102,214.25	0.00	102,214.25	0.00	0.00
1 month new PILS	102,214.25		102,214.25		
Interest @ 7.25	617.61	617.61	0.00		
Jan Closing Balance	<u>205,046.11</u>	<u>617.61</u>	<u>204,428.50</u>	<u>205,046.11</u>	<u>0.00</u>
Mar-05 Opening Balance	205,046.11	617.61	204,428.50	205,046.11	0.00
1 month new PILS	<u>102,214.25</u>		<u>102,214.25</u>		<u>0.00</u>
March Revised balance	307,260.36		306,642.75		
Interest @ 7.25	<u>1,235.22</u>	<u>1,235.22</u>	<u>0.00</u>		
March Closing balance	<u>308,495.59</u>	<u>1,852.84</u>	<u>306,642.75</u>	<u>308,495.59</u>	<u>0.00</u>
Apr-05 April Opening balance	308,495.59	1,852.84	306,642.75	308,495.59	0.00
1 month new PILS	104,402.50		104,402.50		
Recovered in April	<u>(26,792.64)</u>		<u>(26,792.64)</u>		<u>26,792.64</u>
March Revised balance	386,105.45		384,252.61		
Interest @ 7.25	<u>1,852.84</u>	<u>1,852.84</u>	<u>0.00</u>		
April Closing balance	<u>387,958.28</u>	<u>3,705.67</u>	<u>384,252.61</u>	<u>387,958.28</u>	<u>26,792.64</u>
May-05 May Opening balance	387,958.28	3,705.67	384,252.61	387,958.28	26,792.64
1 month new PILS	104,402.50		104,402.50		
Recovered in May	<u>(95,126.14)</u>		<u>(95,126.14)</u>		<u>95,126.14</u>
May Revised balance	397,234.64		393,528.97		
Interest @ 7.25	<u>2,321.78</u>	<u>2,321.78</u>	<u>0.00</u>		
May Closing balance	<u>399,556.42</u>	<u>6,027.45</u>	<u>393,528.97</u>	<u>399,556.42</u>	<u>121,918.78</u>
Jun-05 Jun Opening balance	399,556.42	6,027.45	393,528.97	399,556.42	121,918.78
1 month new PILS	104,402.50		104,402.50		
Recovered in Jun	<u>(92,899.36)</u>		<u>(92,899.36)</u>		<u>92,899.36</u>
Jun Revised balance	411,059.56		405,032.11		
Interest @ 7.25	<u>2,377.83</u>	<u>2,377.83</u>	<u>0.00</u>		
Jun Closing balance	<u>413,437.39</u>	<u>8,405.28</u>	<u>405,032.11</u>	<u>413,437.39</u>	<u>214,818.14</u>
Jul-05 Jun Opening balance	413,437.39	8,405.28	405,032.11	413,437.39	214,818.14
1 month new PILS	104,402.50		104,402.50		
Recovered in Jul	<u>(108,766.34)</u>		<u>(108,766.34)</u>		<u>108,766.34</u>
Revised balance	409,073.55		400,668.27		
Interest @ 7.25	<u>2,494.00</u>	<u>2,494.00</u>	<u>0.00</u>		
Closing balance	<u>411,567.55</u>	<u>10,899.28</u>	<u>400,668.27</u>	<u>411,567.55</u>	<u>323,584.48</u>
Aug-05 Jun Opening balance	411,567.55	10,899.28	400,668.27	411,567.55	323,584.48
1 month new PILS	104,402.50		104,402.50		
Recovered in Aug	<u>(115,728.07)</u>		<u>(115,728.07)</u>		<u>115,728.07</u>
Revised balance	400,241.99		389,342.70		
Interest @ 7.25	<u>2,467.13</u>	<u>2,467.13</u>	<u>0.00</u>		
Closing balance	<u>402,709.12</u>	<u>13,366.41</u>	<u>389,342.70</u>	<u>402,709.12</u>	<u>439,312.55</u>
Sep-05 Jun Opening balance	402,709.12	13,366.41	389,342.70	402,709.12	439,312.55
1 month new PILS	104,402.50		104,402.50		
Recovered in Sep	<u>(109,333.05)</u>		<u>(109,333.05)</u>		<u>109,333.05</u>
Revised balance	397,778.56		384,412.15		
Interest @ 7.25	<u>2,320.06</u>	<u>2,320.06</u>	<u>0.00</u>		
Closing balance	<u>400,098.62</u>	<u>15,686.47</u>	<u>384,412.15</u>	<u>400,098.62</u>	<u>548,645.60</u>

Festival Hydro Inc.
2005 PIL recovery - at 7.25%

Total 2005 PILs	1,252,830.00	
	<u>12 months</u>	
Monthly amount to set up	<u>104,402.50</u>	Started recovery in April

Hensall	6,287.00
Seaforth	24,557.00
FHI	<u>1,221,986.00</u>
	1,252,830.00
	939,622.50

<u>Jan Feb Mar 2005</u>		
Use 2002 PIL Proxy	1,226,571.00	102,214.25 Per month
Apr to Dec - Use 2005 Pil Proxy		104,402.50 Per month

Interest Calculation	Outstanding Balance	Interest Income A/c 4405	Outstanding Principal		<u>Total Recovered</u>
Oct-05 Jun Opening balance	400,098.62	15,686.47	384,412.15	400,098.62	548,645.60
1 month new PILS	104,402.50		104,402.50		
Recovered in Sep	<u>(97,920.20)</u>		<u>(97,920.20)</u>		97,920.20
Revised balance	406,580.91		390,894.45		
Interest @ 7.25	2,290.68	2,290.68	0.00		
Closing balance	<u>408,871.59</u>	<u>17,977.14</u>	<u>390,894.45</u>	<u>408,871.59</u>	<u>646,565.80</u>
Nov-05 Opening balance	408,871.59	17,977.14	390,894.45	408,871.59	646,565.80
1 month new PILS	104,402.50		104,402.50		
Recovered in Nov	<u>(86,869.16)</u>		<u>(86,869.16)</u>		86,869.16
Revised balance	426,404.93		408,427.79		
Interest @ 7.25	2,329.30	2,329.30	0.00		
Closing balance	<u>428,734.23</u>	<u>20,306.45</u>	<u>408,427.79</u>	<u>428,734.23</u>	<u>733,434.96</u>
Dec-05 Opening balance	428,734.23	20,306.45	408,427.79	428,734.23	733,434.96
1 month new PILS	104,402.50		104,402.50		
Recovered in Dec	<u>(98,368.68)</u>		<u>(98,368.68)</u>		98,368.68
Revised balance	434,768.05		414,461.60		
Interest @ 7.25	2,433.78	2,433.78	0.00		
Closing balance	<u>437,201.83</u>	<u>22,740.23</u>	<u>414,461.60</u>	<u>437,201.83</u>	<u>831,803.65</u>
Jan-06 Opening balance	437,201.83	22,740.23	414,461.60	437,201.83	831,803.65
1 month new PILS	104,402.50		104,402.50		
Recovered in Dec	<u>(111,659.82)</u>		<u>(111,659.82)</u>		111,659.82
Revised balance	429,944.51		407,204.28		
Interest @ 7.25	2,552.06	2,552.06	0.00		
Closing balance	<u>432,496.57</u>	<u>25,292.29</u>	<u>407,204.28</u>	<u>432,496.57</u>	<u>943,463.47</u>
	YTD Int	2,552.06			
Feb-06 Opening balance	432,496.57	25,292.29	407,204.28	432,496.57	943,463.47
1 month new PILS	104,402.50		104,402.50		
Recovered in Dec	<u>(109,787.90)</u>		<u>(109,787.90)</u>		109,787.90
Revised balance	427,111.18		401,818.89		
Interest @ 7.25	2,264.73	2,264.73	0.00		
Closing balance	<u>429,375.90</u>	<u>27,557.01</u>	<u>401,818.89</u>	<u>429,375.90</u>	<u>1,053,251.36</u>
	YTD Int	4,816.79			
Mar-06 Opening balance	429,375.90	27,557.01	401,818.89	429,375.90	1,053,251.36
1 month new PILS	104,402.50		104,402.50		
Recovered in Dec	<u>(106,881.79)</u>		<u>(106,881.79)</u>		106,881.79
Revised balance	426,896.61		399,339.60		
Interest @ 7.25	2,474.21	2,474.21	0.00		
Closing balance	<u>429,370.83</u>	<u>30,031.23</u>	<u>399,339.60</u>	<u>429,370.83</u>	<u>1,160,133.15</u>
Apr-06 Opening balance	429,370.83	30,031.23	399,339.60	429,370.83	1,160,133.15
1 month new PILS	104,402.50		104,402.50		
2005 True Up	<u>(59,864.00)</u>		<u>(59,864.00)</u>		
Recovered in Dec	<u>(189,841.59)</u>		<u>(189,841.59)</u>		189,841.59
Revised balance	284,067.73		254,036.51		
Interest @ 7.25	2,458.95	2,458.95	0.00		
Closing balance	<u>286,526.68</u>	<u>32,490.18</u>	<u>254,036.51</u>	<u>286,526.68</u>	<u>1,349,974.74</u>
	YTD Int	9,749.95			

Summary

	<u>Life to Apr 30/06</u>	<u>Dec 31/05</u>	Jan to Apr 06	Original Filed
Opening - 2004	0.00	0.00	0.00	
Add Interest	32,490.18	22,740.23	9,749.95	21,168.61
Less Recovery	(1,349,974.74)	(831,803.65)	(518,171.10)	(1,360,536.00)

Festival Hydro Inc.
2005 PIL recovery - at 7.25%

Total 2005 PILs	1,252,830.00	
	<u>12 months</u>	
Monthly amount to set up	<u>104,402.50</u>	Started recovery in April

Hensall	6,287.00
Seaforth	24,557.00
FHI	<u>1,221,986.00</u>
	1,252,830.00
	939,622.50

<u>Jan Feb Mar 2005</u>		
Use 2002 PIL Proxy	1,226,571.00	102,214.25 Per month
Apr to Dec - Use 2005 Pil Proxy		104,402.50 Per month

Interest Calculation		Outstanding Balance	Interest Income A/c 4405	Outstanding Principal	Total Recovered
New PILS	1,663,875.25	1,246,265.25	417,610.00	1,663,875.00	
True up	(59,864.00)	0.00	(59,864.00)	(258,386.75)	
Total - 2004	<u>286,526.68</u>	<u>437,201.83</u>	<u>(150,675.15)</u>	<u>66,120.86</u>	
			286,526.68		

Festival Hydro Inc.
2005 PIL Recovery
Period: Apr 2006

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		20,482,089.25	0.004900	100,362.24	0.00	100,362.24
AA2	Residential Seaforth		1,309,021.00	0.003000	3,927.06	0.00	3,927.06
AA3	Residential Hensall		607,216.75	0.001600	971.55	0.00	971.55
CCC	General Service < 50 kWh		10,851,671.25	0.003300	35,810.52	0.00	35,810.52
GEN	General Service < 50 kWh		113,095.50	0.003300	373.22	0.00	373.22
MLG	General Service < 50 kWh	0.00	3,141.25	0.003300	10.37	0.00	10.37
FFF	Gen Ser > 50 kWh (Non TOU)	20,046.01 *		0.322400	6,462.83	0.00	6,462.83
ZFF	Gen Ser > 50 kWh (Non TOU)	148.96 *		0.322400	48.02	0.00	48.02
FF1	Gen Ser > 50 kWh (TOU)	35,007.89 *		0.322400	11,286.54	0.00	11,286.54
FF2	Gen Ser > 50 kWh (TOU)	63,524.27 *		0.322400	20,480.22	0.00	20,480.22
ZFF1	Gen Ser > 50 kWh (TOU)	0.00 *		0.322400	0.00	0.00	0.00
FAG	TOU	11,135.88		0.345100	3,842.99	0.00	3,842.99
		*					
HEN	TOU	5,644.80		0.755100	4,262.39	0.00	4,262.39
		*					
REL	TOU	672.00		1.684600	1,132.05	0.00	1,132.05
		*					
LGH	Street Lighting TOU	1,538.90		0.523100	805.00	0.00	805.00
SLR	Sentinel Lighting	94.14	507.50	0.707400	66.60	0.00	66.60
	Totals	137,812.84	33,366,742.50		189,841.59	0.00	189,841.59
		78,696.40	19,066,710.00				
		(59,116.44)	(14,300,032.50)	SLR			

Festival Hydro Inc.
2005 PIL Recovery
Period: Mar 2006

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		11,566,687.00	0.004900	56,676.77	0.00	56,676.77
AA2	Residential Seaforth		783,803.00	0.003000	2,351.41	0.00	2,351.41
AA3	Residential Hensall		383,369.00	0.001600	613.39	0.00	613.39
CCC	General Service < 50 kWh		5,864,234.00	0.003300	19,351.97	0.00	19,351.97
GEN	General Service < 50 kWh		61,926.00	0.003300	204.36	0.00	204.36
ZCC	General Service < 50 kWh	0.00	1,675.00	0.003300	5.53	0.00	5.53
FFF	Gen Ser > 50 kWh (Non TOU)	11,861.32 *		0.322400	3,824.09	0.00	3,824.09
ZFF	Gen Ser > 50 kWh (Non TOU)	98.88 *		0.322400	31.88	0.00	31.88
FF1	Gen Ser > 50 kWh (TOU)	19,738.33 *		0.322400	6,363.64	0.00	6,363.64
FF2	Gen Ser > 50 kWh (TOU)	36,427.25 *		0.322400	11,744.15	0.00	11,744.15
ZFF1	Gen Ser > 50 kWh (TOU)	0.00 *		0.322400	0.00	0.00	0.00
FAG	TOU	6,564.24		0.345100	2,265.32	0.00	2,265.32
HEN	TOU	3,110.40 *		0.755100	2,348.66	0.00	2,348.66
REL	TOU	357.70 *		1.684600	602.58	0.00	602.58
LGH	Street Lighting TOU	879.37 *		0.523100	460.00	0.00	460.00
SLR	Sentinel Lighting	53.80	252.00	0.707400	38.05	0.00	38.05
Totals		<u>79,091.29</u>	<u>18,661,946.00</u>		106,881.79	0.00	106,881.79
		<u>79,037.49</u>	<u>18,661,946.00</u>				
		(53.80)	0.00	SLR			

Festival Hydro Inc.
2005 PIL Recovery
Period: Feb 2006

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		12,842,833.00	0.004900	62,929.88	0.00	62,929.88
AA2	Residential Seaforth		876,106.00	0.003000	2,628.32	0.00	2,628.32
AA3	Residential Hensall		432,743.00	0.001600	692.39	0.00	692.39
CCC	General Service < 50 kWh		6,442,148.00	0.003300	21,259.09	0.00	21,259.09
GEN	General Service < 50 kWh		71,720.00	0.003300	236.68	0.00	236.68
ZCC	General Service < 50 kWh	0.00	1,906.00	0.003300	6.29	0.00	6.29
FFF	Gen Ser > 50 kWh (Non TOU)	11,511.47 *		0.322400	3,711.30	0.00	3,711.30
ZFF	Gen Ser > 50 kWh (Non TOU)	86.56 *		0.322400	27.91	0.00	27.91
FF1	Gen Ser > 50 kWh (TOU)	19,823.69 *		0.322400	6,391.16	0.00	6,391.16
FF2	Gen Ser > 50 kWh (TOU)	36,925.84 *		0.322400	11,904.89	0.00	11,904.89
ZFF1	Gen Ser > 50 kWh (TOU)	0.00 *		0.322400	0.00	0.00	0.00
		6,272.64					
FAG	TOU			0.345100	0.00	0.00	0.00
		2,995.20 *					
HEN	TOU			0.755100	0.00	0.00	0.00
		479.03 *					
REL	TOU			1.684600	0.00	0.00	0.00
		879.37 *					
LGH	Street Lighting TOU			0.523100	0.00	0.00	0.00
		53.80	213.00				
SLR	Sentinel Lighting			0.707400	0.00	0.00	0.00
	Totals	<u>79,027.60</u>	<u>20,667,669.00</u>		109,787.90	0.00	109,787.90
		<u>78,973.80</u>	<u>20,667,669.00</u>				
		(53.80)	0.00	SLR			

Festival Hydro Inc.
2005 PIL Recovery
Period: Jan 2006

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		13,312,733.00	0.004900	65,232.39	0.00	65,232.39
AA2	Residential Seaforth		773,724.00	0.003000	2,321.17	0.00	2,321.17
AA3	Residential Hensall		412,181.00	0.001600	659.49	0.00	659.49
CCC	General Service < 50 kWh		6,355,439.00	0.003300	20,972.95	0.00	20,972.95
GEN	General Service < 50 kWh		71,720.00	0.003300	236.68	0.00	236.68
ZCC	General Service < 50 kWh	0.00	2,305.00	0.003300	7.61	0.00	7.61
FFF	Gen Ser > 50 kWh (Non TOU)	11,507.92 *		0.322400	3,710.15	0.00	3,710.15
ZFF	Gen Ser > 50 kWh (Non TOU)	106.88 *		0.322400	34.46	0.00	34.46
FF1	Gen Ser > 50 kWh (TOU)	20,620.71 *		0.322400	6,648.12	0.00	6,648.12
FF2	Gen Ser > 50 kWh (TOU)	36,714.66 *		0.322400	11,836.81	0.00	11,836.81
ZFF1	Gen Ser > 50 kWh (TOU)	0.00 *		0.322400	0.00	0.00	0.00
		6,384.83					
FAG	TOU			0.345100	0.00	0.00	0.00
		3,355.70 *					
HEN	TOU			0.755100	0.00	0.00	0.00
		342.68 *					
REL	TOU			1.684600	0.00	0.00	0.00
		879.37 *					
LGH	Street Lighting TOU			0.523100	0.00	0.00	0.00
		53.80	202.00				
SLR	Sentinel Lighting			0.707400	0.00	0.00	0.00
	Totals	<u>79,966.55</u>	<u>20,928,304.00</u>		111,659.82	0.00	111,659.82
		<u>79,912.75</u>	<u>20,928,304.00</u>				
		(53.80)	0.00	SLR			

Festival Hydro Inc.
2005 PIL Recovery
Period: Dec 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		11,140,044.00	0.004900	54,586.22	0.00	54,586.22
AA2	Residential Seaforth		657,837.00	0.003000	1,973.51	0.00	1,973.51
AA3	Residential Hensall		346,026.00	0.001600	553.64	0.00	553.64
CCC	General Service < 50 kWh		5,650,630.00	0.003300	18,647.08	0.00	18,647.08
GEN	General Service < 50 kWh		72,502.00	0.003300	239.26	0.00	239.26
ZCC	General Service < 50 kWh	0.00	2,051.00	0.003300	6.77	0.00	6.77
FFF	Gen Ser > 50 kWh (Non TOU)	11,624.58 *		0.322400	3,747.76	0.00	3,747.76
ZFF	Gen Ser > 50 kWh (Non TOU)	90.56 *		0.322400	29.20	0.00	29.20
FF1	Gen Ser > 50 kWh (TOU)	20,675.57 *		0.322400	6,665.80	0.00	6,665.80
FF2	Gen Ser > 50 kWh (TOU)	36,679.15 *		0.322400	11,825.36	0.00	11,825.36
ZFF1	Gen Ser > 50 kWh (TOU)	291.84 *		0.322400	94.09	0.00	94.09
		6,387.05					
FAG	TOU			0.345100	0.00	0.00	0.00
		3,052.80 *					
HEN	TOU			0.755100	0.00	0.00	0.00
		508.80 *					
REL	TOU			1.684600	0.00	0.00	0.00
		879.37 *					
LGH	Street Lighting TOU			0.523100	0.00	0.00	0.00
		37.13	266.00				
SLR	Sentinel Lighting			0.707400	0.00	0.00	0.00
	Totals	<u>80,226.85</u>	<u>17,869,356.00</u>		98,368.68	0.00	98,368.68
		<u>80,189.72</u>	<u>17,869,201.00</u>				
		(37.13)	(155.00) SLR				

Festival Hydro Inc.
2005 PIL Recovery
Period: Nov 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		9,094,667.00	0.004900	44,563.87	0.00	44,563.87
AA2	Residential Seaforth		557,852.00	0.003000	1,673.56	0.00	1,673.56
AA3	Residential Hensall		249,713.00	0.001600	399.54	0.00	399.54
CCC	General Service < 50 kWh		5,113,116.00	0.003300	16,873.28	0.00	16,873.28
GEN	General Service < 50 kWh		73,074.00	0.003300	241.14	0.00	241.14
ZCC	General Service < 50 kWh	0.00	1,734.00	0.003300	5.72	0.00	5.72
FFF	Gen Ser > 50 kWh (Non TOU)	12,023.24 *		0.322400	3,876.29	0.00	3,876.29
ZFF	Gen Ser > 50 kWh (Non TOU)	72.80 *		0.322400	23.47	0.00	23.47
FF1	Gen Ser > 50 kWh (TOU)	21,613.48 *		0.322400	6,968.19	0.00	6,968.19
FF2	Gen Ser > 50 kWh (TOU)	37,421.67 *		0.322400	12,064.75	0.00	12,064.75
ZFF1	Gen Ser > 50 kWh (TOU)	556.29 *		0.322400	179.35	0.00	179.35
		6,837.77					
FAG	TOU			0.345100	0.00	0.00	0.00
		3,187.20 *					
HEN	TOU			0.755100	0.00	0.00	0.00
		392.72 *					
REL	TOU			1.684600	0.00	0.00	0.00
		878.98 *					
LGH	Street Lighting TOU			0.523100	0.00	0.00	0.00
		37.13					
SLR	Sentinel Lighting			0.707400	0.00	0.00	0.00
	Totals	<u>83,021.28</u>	<u>15,090,156.00</u>		86,869.16	0.00	86,869.16
		<u>82,984.15</u>	<u>15,090,156.00</u>				
		(37.13)	0.00	SLR			

Festival Hydro Inc.
2005 PIL Recovery
Period: Oct 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		9,605,179.00	0.004900	47,065.38	0.00	47,065.38
AA2	Residential Seaforth		628,155.00	0.003000	1,884.47	0.00	1,884.47
AA3	Residential Hensall		299,716.00	0.001600	479.55	0.00	479.55
CCC	General Service < 50 kWh		5,738,297.00	0.003300	18,936.38	0.00	18,936.38
GEN	General Service < 50 kWh		78,518.00	0.003300	259.11	0.00	259.11
ZCC	General Service < 50 kWh	0.00	1,728.00	0.003300	5.70	0.00	5.70
FFF	Gen Ser > 50 kWh (Non TOU)	12,444.58 *		0.322400	4,012.13	0.00	4,012.13
ZFF	Gen Ser > 50 kWh (Non TOU)	71.04 *		0.322400	22.90	0.00	22.90
FF1	Gen Ser > 50 kWh (TOU)	21,403.52 *		0.322400	6,900.49	0.00	6,900.49
FF2	Gen Ser > 50 kWh (TOU)	37,871.88 *		0.322400	12,209.89	0.00	12,209.89
ZFF1	Gen Ser > 50 kWh (TOU)	572.62 *		0.322400	184.61	0.00	184.61
FAG	TOU	6,965.55 *		0.345100	2,403.81	0.00	2,403.81
HEN	TOU	3,187.20 *		0.755100	2,406.65	0.00	2,406.65
REL	TOU	393.60 *		1.684600	663.06	0.00	663.06
LGH	Street Lighting TOU	878.98		0.523100	459.79	0.00	459.79
SLR	Sentinel Lighting	37.13		0.707400	26.27	0.00	26.27
Totals		83,826.10	16,351,593.00		97,920.20	0.00	97,920.20
		83,788.97	16,351,593.00				
		(37.13)	0.00	SLR			

Festival Hydro Inc.
2005 PIL Recovery
Period: August 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		11,506,360.00	0.004900	56,381.16	0.00	56,381.16
AA2	Residential Seaforth		762,420.00	0.003000	2,287.26	0.00	2,287.26
AA3	Residential Hensall		384,985.00	0.001600	615.98	0.00	615.98
CCC	General Service < 50 kWh		6,174,513.00	0.003300	20,375.89	0.00	20,375.89
GEN	General Service < 50 kWh		77,376.00	0.003300	255.34	0.00	255.34
ZCC	General Service < 50 kWh	0.00	1,450.00	0.003300	4.79	0.00	4.79
FFF	Gen Ser > 50 kWh (Non TOU)	12,517.52 *		0.322400	4,035.65	0.00	4,035.65
ZFF	Gen Ser > 50 kWh (Non TOU)	74.56 *		0.322400	24.04	0.00	24.04
FF1	Gen Ser > 50 kWh (TOU)	20,077.96 *		0.322400	6,473.13	0.00	6,473.13
FF2	Gen Ser > 50 kWh (TOU)	37,939.98 *		0.322400	12,231.85	0.00	12,231.85
ZFF1	Gen Ser > 50 kWh (TOU)	1,542.71 *		0.322400	497.37	0.00	497.37
FAG	TOU	7,054.63 *		0.345100	2,434.55	0.00	2,434.55
HEN	TOU	3,122.14 *		0.755100	2,357.53	0.00	2,357.53
REL	TOU	517.90 *		1.684600	872.45	0.00	872.45
LGH	Street Lighting TOU	878.98		0.523100	459.79	0.00	459.79
SLR	Sentinel Lighting	37.13		0.707400	26.27	0.00	26.27
Totals		83,763.51	18,907,104.00		109,333.05	0.00	109,333.05
		83,726.38	18,907,104.00				
		(37.13)	0.00	SLR			

Festival Hydro Inc.
2005 PIL Recovery
Period: August 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		12,628,428.00	0.004900	61,879.30	0.00	61,879.30
AA2	Residential Seaforth		682,683.00	0.003000	2,048.05	0.00	2,048.05
AA3	Residential Hensall		411,423.00	0.001600	658.28	0.00	658.28
CCC	General Service < 50 kWh		6,502,483.00	0.003300	21,458.19	0.00	21,458.19
GEN	General Service < 50 kWh		77,376.00	0.003300	255.34	0.00	255.34
ZCC	General Service < 50 kWh	0.00	1,294.00	0.003300	4.27	0.00	4.27
FFF	Gen Ser > 50 kWh (Non TOU)	13,033.73 *		0.322400	4,202.07	0.00	4,202.07
ZFF	Gen Ser > 50 kWh (Non TOU)	82.08 *		0.322400	26.46	0.00	26.46
FF1	Gen Ser > 50 kWh (TOU)	19,964.14 *		0.322400	6,436.44	0.00	6,436.44
FF2	Gen Ser > 50 kWh (TOU)	37,882.04 *		0.322400	12,213.17	0.00	12,213.17
ZFF1	Gen Ser > 50 kWh (TOU)	1,605.65 *		0.322400	517.66	0.00	517.66
FAG	TOU	7,078.75		0.345100	2,442.88	0.00	2,442.88
		*					
HEN	TOU	3,110.40		0.755100	2,348.66	0.00	2,348.66
		*					
REL	TOU	445.94		1.684600	751.23	0.00	751.23
		*					
LGH	Street Lighting TOU	878.98		0.523100	459.79	0.00	459.79
SLR	Sentinel Lighting	37.13		0.707400	26.27	0.00	26.27
Totals		<u>84,118.84</u>	<u>20,303,687.00</u>		115,728.07	0.00	115,728.07
		<u>84,081.71</u>	<u>20,303,687.00</u>				
		(37.13)	0.00	SLR			

Festival Hydro Inc.
2005 PIL Recovery
Period: July 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		11,674,666.00	0.004900	57,205.86	0.00	57,205.86
AA2	Residential Seaforth		585,011.00	0.003000	1,755.03	0.00	1,755.03
AA3	Residential Hensall		301,199.00	0.001600	481.92	0.00	481.92
CCC	General Service < 50 kWh		5,885,886.00	0.003300	19,423.42	0.00	19,423.42
GEN	General Service < 50 kWh	Scattered Unmetered	77,376.00	0.003300	255.34	0.00	255.34
ZCC	General Service < 50 kWh	0.00	1,192.00	0.003300	3.93	0.00	3.93
FFF	Gen Ser > 50 kWh (Non TOU)	13,067.63 *		0.322400	4,213.00	0.00	4,213.00
ZFF	Gen Ser > 50 kWh (Non TOU)	76.16 *		0.322400	24.55	0.00	24.55
FF1	Gen Ser > 50 kWh (TOU)	19,601.89 *		0.322400	6,319.65	0.00	6,319.65
FF2	Gen Ser > 50 kWh (TOU)	38,087.04 *		0.322400	12,279.26	0.00	12,279.26
ZFF1	Gen Ser > 50 kWh (TOU)	1,631.35 *		0.322400	525.95	0.00	525.95
		0.00					
FAG	TOU	7,341.49		0.345100	2,533.55	0.00	2,533.55
		0.00 *					
HEN	TOU	3,150.51		0.755100	2,378.95	0.00	2,378.95
		0.00 *					
REL	TOU	522.21		1.684600	879.71	0.00	879.71
		0.00 *					
LGH	Street Lighting TOU	879.24		0.523100	459.93	0.00	459.93
SLR	Sentinel Lighting	37.13		0.707400	26.27	0.00	26.27
Totals		84,394.65	18,525,330.00		108,766.34	0.00	108,766.34
		84,357.52	18,525,330.00				
		(37.13)	0.00	SLR			

#REF!

Festival Hydro Inc.
2005 PIL Recovery
Period: June 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		9,183,502.00	0.004900	44,999.16	0.00	44,999.16
AA2	Residential Seaforth		587,316.00	0.003000	1,761.95	0.00	1,761.95
AA3	Residential Hensall		304,205.00	0.001600	486.73	0.00	486.73
CCC	General Service < 50 kWh		5,263,420.00	0.003300	17,369.29	0.00	17,369.29
GEN	General Service < 50 kWh		77,757.00	0.003300	256.60	0.00	256.60
ZCC	General Service < 50 kWh	0.00	1,286.00	0.003300	4.24	0.00	4.24
FFF	Gen Ser > 50 kWh (Non TOU)	12,567.40 *		0.322400	4,051.73	0.00	4,051.73
ZFF	Gen Ser > 50 kWh (Non TOU)	65.44 *		0.322400	21.10	0.00	21.10
FF1	Gen Ser > 50 kWh (TOU)	17,493.71 *		0.322400	5,639.97	0.00	5,639.97
FF2	Gen Ser > 50 kWh (TOU)	36,588.53 *		0.322400	11,796.14	0.00	11,796.14
ZFF1	Gen Ser > 50 kWh (TOU)	1,933.56 *		0.322400	623.38	0.00	623.38
FAG	TOU	6,697.92		0.345100	2,311.45	0.00	2,311.45
HEN	TOU	2,995.20 *		0.755100	2,261.68	0.00	2,261.68
REL	TOU	492.55 *		1.684600	829.75	0.00	829.75
LGH	Street Lighting TOU	879.24 *		0.523100	459.93	0.00	459.93
SLR	Sentinel Lighting	37.13		0.707400	26.27	0.00	26.27
Totals					92,899.36	0.00	92,899.36
		79,750.68	15,417,486.00				
		79,713.55	15,417,486.00				
		(37.13)	0.00				
		(79,750.68)	(15,417,486.00)				

#REF!

SLR

Festival Hydro Inc.
2005 PIL Recovery
Period: May 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		9,397,895.00	0.004900	46,049.69	0.00	46,049.69
AA2	Residential Seaforth		642,458.00	0.003000	1,927.37	0.00	1,927.37
AA3	Residential Hensall		290,852.00	0.001600	465.36	0.00	465.36
CCC	General Service < 50 kWh		5,335,521.00	0.003300	17,607.22	0.00	17,607.22
GEN	General Service < 50 kWh		77,757.00	0.003300	256.60	0.00	256.60
ZCC	General Service < 50 kWh	0.00	9,190.00	0.003300	30.33	0.00	30.33
FFF	Gen Ser > 50 kWh (Non TOU)	12,282.44 *		0.322400	3,959.86	0.00	3,959.86
ZFF	Gen Ser > 50 kWh (Non TOU)	403.36 *		0.322400	130.04	0.00	130.04
FF1	Gen Ser > 50 kWh (TOU)	16,786.52 *		0.322400	5,411.97	0.00	5,411.97
FF2	Gen Ser > 50 kWh (TOU)	36,332.49 *		0.322400	11,713.59	0.00	11,713.59
ZFF1	Gen Ser > 50 kWh (TOU)	1,823.58 *		0.322400	587.92	0.00	587.92
FAG	TOU	6,604.69		0.345100	2,279.28	0.00	2,279.28
HEN	TOU	2,976.00 *		0.755100	2,247.18	0.00	2,247.18
REL	TOU	1,171.51 *		1.684600	1,973.53	0.00	1,973.53
LGH	Street Lighting TOU	879.24 *		0.523100	459.93	0.00	459.93
SLR	Sentinel Lighting	37.13		0.707400	26.27	0.00	26.27
Totals					95,126.14	0.00	95,126.14
		79,296.96	15,753,673.00				
		79,259.83	15,753,673.00				
		(37.13)	0.00				

SLR

#REF!

Festival Hydro Inc.
2005 PIL Recovery
Period: Apr 2005

Festival		Actuals per the billing registers		Recovery Rate	Amount Recovered	Fixed monthly recovery	Total recovery
Code	Category	Distn kW's	Distn kWh's				
AA1	Residential		2,906,393.32	0.004900	14,241.33	0.00	14,241.33
AA2	Residential Seaforth		177,323.78	0.003000	531.97	0.00	531.97
AA3	Residential Hensall		88,410.74	0.001600	141.46	0.00	141.46
CCC	General Service < 50 kWh		1,472,413.23	0.003300	4,858.96	0.00	4,858.96
GEN	General Service < 50 kWh		19,439.25	0.003300	64.15	0.00	64.15
ZCC	General Service < 50 kWh	0.00	12,114.25	0.003300	39.98	0.00	39.98
FFF	Gen Ser > 50 kWh (Non TOU)	3,174.35		0.322400	1,023.41	0.00	1,023.41
ZFF	Gen Ser > 50 kWh (Non TOU)	100.61		0.322400	32.44	0.00	32.44
FF1	Gen Ser > 50 kWh (TOU)	4,028.05		0.322400	1,298.64	0.00	1,298.64
FF2	Gen Ser > 50 kWh (TOU)	9,184.54		0.322400	2,961.09	0.00	2,961.09
ZFF1	Gen Ser > 50 kWh (TOU)	442.16		0.322400	142.55	0.00	142.55
FAG	TOU	1,618.55		0.345100	558.56	0.00	558.56
HEN	TOU	729.60		0.755100	550.92	0.00	550.92
REL	TOU	133.94		1.684600	225.63	0.00	225.63
LGH	Street Lighting TOU	219.81	0.00	0.523100	114.98	0.00	114.98
SLR	Sentinel Lighting	9.28	0.00	0.707400	6.57	0.00	6.57
Totals		19,640.87	4,676,094.57		26,792.64	0.00	26,792.64
		78,526.33	18,704,532.00				
		(58,885.46)	(14,028,437.43)	SLR			

#REF!

Financial Statements of

FESTIVAL HYDRO INC.

Year ended December 31, 2005



KPMG LLP
Chartered Accountants
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Canada

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AUDITORS' REPORT

To the Shareholder of Festival Hydro Inc.

We have audited the balance sheet of Festival Hydro Inc. as at December 31, 2005 and the statements of earnings and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company'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 Company as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

London, Canada

March 13, 2006

FESTIVAL HYDRO INC.

Balance Sheet

December 31, 2005, with comparative figures for 2004

	2005	2004
Assets		
Current assets:		
Cash	\$ 2,884,743	\$ 6,157,496
Accounts receivable	1,646,322	2,257,267
Inventory	675,767	823,617
Payments in lieu of corporate income taxes recoverable (note 8)	-	156,737
Prepaid expenses	160,837	139,900
Unbilled revenue	6,406,693	4,770,087
	11,774,362	14,305,104
Treasury bills (note 14(a))	788,008	1,815,681
Property, plant and equipment (note 3)	28,750,400	28,175,014
Goodwill	515,359	515,359
Prepaid pension costs	117,000	117,000
Future payments in lieu of income taxes (note 8)	1,813,000	1,683,000
Organization costs, net of accumulated amortization of \$164,699 (2004 - \$134,638)	135,901	165,962
	\$ 43,894,030	\$ 46,777,120
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,079,417	\$ 5,501,329
Accrued vacation, wages and benefits	292,311	252,331
Payments in lieu of corporate income taxes payable (note 8)	135,528	-
Demand notes payable (note 5)	15,600,000	15,600,000
Current portion of customer deposits	169,186	329,118
Due to Festival Hydro Services Inc. (note 13)	192,299	76,649
Due to the Corporation of the City of Stratford	836,855	961,072
	23,305,596	22,720,499
Regulatory liability, net (note 4)	145,888	209,749
Post-employment benefits (note 6)	1,240,577	1,152,145
Customer deposits	341,093	267,527
Shareholder's equity:		
Share capital (note 7)	15,568,388	19,637,111
Retained earnings	3,292,488	2,790,089
	18,860,876	22,427,200
Commitments (note 14)		
	\$ 43,894,030	\$ 46,777,120

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

FESTIVAL HYDRO INC.

Statement of Earnings and Retained Earnings

Year ended December 31, 2005, with comparative figures for 2004

	2005	2004
Revenue:		
Power	\$ 8,395,969	\$ 7,798,380
Other income	262,759	147,977
Late payment and other charges	96,552	112,792
Rentals	100,786	106,947
Interest	358,474	211,315
	9,214,540	8,377,411
Expenses:		
Operating and maintenance	1,188,720	1,044,020
Billing, data processing and collection	945,877	925,643
Administrative	1,184,498	1,203,741
Amortization of property, plant and equipment	2,256,680	2,147,646
Amortization of organization costs	30,061	30,061
	5,605,836	5,351,111
Earnings before the undernoted	3,608,704	3,026,300
Interest	1,155,348	1,148,186
Earnings before payments in lieu of taxes	2,453,356	1,878,114
Provision for payments in lieu of income taxes (note 8):		
Current	1,055,000	871,000
Future	(130,000)	(214,000)
	925,000	657,000
Net earnings	1,528,356	1,221,114
Retained earnings, beginning of year	2,790,089	2,594,932
Dividends	(1,025,957)	(1,025,957)
Retained earnings, end of year	\$ 3,292,488	\$ 2,790,089

See accompanying notes to financial statements.

FESTIVAL HYDRO INC.

Statement of Cash Flows

Year ended December 31, 2005, with comparative figures for 2004

	2005	2004
Cash provided by (used in):		
Operating activities:		
Net earnings	\$ 1,528,356	\$ 1,221,114
Adjustments for:		
Amortization	2,286,741	2,177,707
Payments in lieu of future income taxes	(130,000)	(214,000)
Changes in non-cash operating working capital (note 12)	3,018	(378,528)
	3,688,113	2,806,293
Financing activities:		
Treasury bills	1,027,673	17,251
Customer deposits	(86,366)	359,777
Repurchase of common shares	(4,068,723)	-
Post-employment benefits	88,432	43,145
Dividends	(1,025,957)	(1,025,957)
	(4,064,941)	(605,784)
Investing activities:		
Purchase of property, plant and equipment	(2,832,066)	(2,689,703)
Regulatory assets	(63,861)	642,849
	(2,895,927)	(2,046,854)
Increase (decrease) in cash	(3,272,755)	153,655
Cash, beginning of year	6,157,496	6,003,841
Cash, end of year	\$ 2,884,741	\$ 6,157,496
Supplemental cash flow information:		
Taxes paid	\$ 896,037	\$ 2,284,151
Interest paid	1,158,896	1,141,699

See accompanying notes to financial statements.

FESTIVAL HYDRO INC.

Notes to Financial Statements

Year ended December 31, 2005

Festival Hydro Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) pursuant to Section 142 of the Electricity Act (the "EA") 1998 on July 11, 2000. The Corporation of the City of Stratford (the "City") passed a bylaw pursuant to Section 145 of the Electricity Act 1998 transferring certain assets and liabilities used in connection with the sales of electricity and electrical distribution systems from the Stratford Public Utility Commission - Electric Department (the "Corporation"). In exchange for these assets the City received a promissory note and 10,001 common shares. This business is regulated by the Ontario Energy Board ("OEB").

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") including accounting principles prescribed by the OEB in the Accounting Procedures Handbook for Electric Distribution Utilities ("AP Handbook") and reflect the significant accounting policies as summarized below:

(a) Revenue recognition:

In accordance with OEB regulation, the Company recognizes as revenue the regulated distribution tariffs associated with energy distributed and variances between energy purchase costs and energy billed are recorded as regulatory assets or liabilities for future rate application consideration.

The Company follows the practice of cycle billing customers' accounts and revenue is recognized in the period billed. An accrual is made in the accounts at December 31, for power supplied but not billed to customers between the date the meters were last read and the end of the year.

(b) Inventory:

Inventory consists of parts, supplies and material held for the future capital expansion and is valued at the lower of average weighted cost and net realizable value.

(c) Organization costs:

Costs incurred for the amalgamation of the corporations, 1438188 Ontario Inc., 1438189 Ontario Inc., 1438190 Ontario Inc., 1438191 Ontario Inc., 1438192 Ontario Inc., 1438193 Ontario Inc. and Festival Hydro Inc., are being amortized over ten years on a straight-line basis.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

1. Significant accounting policies (continued):

(d) Property, plant and equipment:

Property, plant and equipment assets are recorded at amortized cost and are amortized on a straight-line basis at varying rates estimated to write-off the cost of each asset over its useful life. The assets and rates are as follows.

Asset	Rate
Distribution lines, overhead	4%
Transformers	4%
Services	4%
Meters	4%
Buildings	2%
Transportation equipment	12.5 or 20%
Transmission, underground	4%
Computer equipment	20%
Office equipment	10%
Distribution equipment	10%

Maintenance and repair items are expensed as incurred. Additions, renewals or betterments are capitalized. Any normal gain or loss on sale or retirement of buildings or equipment is included in operating revenues/costs in the year of disposal.

(e) Post-employment benefits:

Post-employment benefits provided by the Company include medical and life insurance benefits. These plans provide benefits to certain employees when they no longer provide active service. Future benefit expense is recognized in the period in which the employees render the services.

Post-employment benefits are recorded on an accrual basis. The accrued benefit obligation and current service costs are calculated using the projected benefits method pro-rated on service and based on assumptions that reflect management's best estimate. 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. Actuarial gains and losses are amortized into expense over the average remaining service period of active employees to full eligibility.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

1. Significant accounting policies (continued):

- (f) Payments-in-lieu of corporate income taxes and capital taxes:

The current tax-exempt status of the Company under the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) reflects the fact that the Company is wholly owned by a municipality. This tax-exempt status might be lost in a number of circumstances, including if the municipality ceases to own 90% or more of the shares or capital of the Company, or if a non-government entity has rights immediately or in the future, either absolutely or contingently, to acquire more than 10% of the shares of the Company.

Commencing October 1, 2001, the Company is required, under the EA, 1998 to make payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation. 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 EA, 1998 and related regulations.

As a result of becoming subject to payments in lieu of corporate income taxes ("PILs"), the Company's taxation year was deemed to have ended immediately beforehand and a new taxation year was deemed to have commenced immediately thereafter. The Company was therefore deemed to have disposed of each of its assets at their then fair market value and to have reacquired such assets at that same amount for purposes of computing its future income subject to PILs. For purposes of certain provisions, the Company was deemed to be a new company and, as a result, tax credits or tax losses not previously utilized by the Company would not be available to it after the change in tax status. Essentially, the Company was taxed as through it had a "fresh start" at the time of its change in tax status.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

1. Significant accounting policies (continued):

(g) Contributed capital:

Prior to January 1, 2000, contractor's capital contributions toward the construction or acquisition of property, plant and equipment by the Corporation were referred to as miscellaneous paid-in capital and disclosed as a permanent component of utility equity.

Effective May 1, 2000, the Company prospectively adopted the change in accounting policy for contributions received in aid of construction (contributed capital), as prescribed by the OEB "Accounting Procedures Handbook for Electric Distribution Utilities". Contributed capital contributions are required contributions received from outside sources, used to finance additions to property, plant and equipment. Contributed capital contributions received are treated as a contra account included in the determination of property, plant and equipment. The amount is subsequently amortized by a charge to accumulated amortization and a credit to amortization expense, at an equivalent rate to that used for the amortization of the related property, plant and equipment.

(h) Customer deposits:

Customer deposits are cash collections from customers to guarantee the payment of energy bills. Deposits expected to be refunded to customers within the next fiscal year are classified as a current liability.

(i) Goodwill:

Goodwill represents the excess of cost over fair value of net assets of businesses acquired. The carrying value of goodwill is evaluated for impairment on an annual basis, or more frequently if circumstances require, with any write-down of the carrying value of goodwill being charged against the results of operations. The Company has determined that goodwill is not impaired.

(j) Related party transactions:

Transactions with related parties represent the culmination of the earnings process and are measured at the exchange amount agreed to by the parties.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

1. Significant accounting policies (continued):

(k) Financial instruments:

The Company's financial instruments consist of accounts receivable, unbilled revenue, accounts payable and accrued liabilities, payment in lieu of corporate income taxes payable, due to Festival Hydro Services Inc., and due to the Corporation of the City of Stratford. Management is of the opinion that the fair values of all financial assets and liabilities are not materially different from their carrying values due to the short periods to maturity of the instruments.

The carrying value of the demand notes payable approximate their fair value due to the demand feature of the note.

(l) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Financial effects of distribution rate regulation:

The financial results presented are in accordance with generally accepted accounting principles and within that framework the Company accounts for the impact or regulatory actions in the following manner:

(a) Regulatory Decisions to Adjust Distribution Rates

In the event that a regulatory decision is rendered, providing regulatory approval and certainty to the recognition of an asset, or creation of a liability, and culminating in an adjustment to Company distribution rates, such occurrences are immediately reflected in the Company's accounts.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

2. Financial effects of distribution rate regulation (continued):

(b) Regulatory Direction and Practice

In the absence of a regulatory decision impacting rates, and where the Company is required by regulatory accounting practice or direction to accumulate balances for future rate recovery or create liabilities for future discharge, those amounts are recorded in accordance with that regulatory direction. Management assesses the future uncertainty with respect to the final regulatory disposition of those amounts, and to the extent required, makes accounting provisions to reduce the deferred balances accumulated or to increase the recorded liabilities. Upon rendering of the final regulatory decision adjusting distribution rates, the provisions are adjusted to reflect the final impact of that decision, and such adjustment is reflected in net earnings for the period.

Amounts currently confirmed by final regulatory decision, and amounts currently accounted for in the absence of final regulatory decision together with related provision for future uncertainty, are more fully described in note 4 to the financial statements.

3. Property, plant and equipment:

	2005		2004	
	Cost	Accumulated amortization	Net book value	Net book value
Distribution lines, underground	\$ 19,233,754	\$ 10,233,451	\$ 9,000,303	\$ 9,157,261
Distribution lines, overhead	15,583,053	5,926,842	9,656,211	8,969,238
Transformers	11,673,544	6,151,217	5,522,327	5,452,019
Services	3,893,452	1,827,918	2,065,534	1,996,318
Meters	3,228,513	1,829,475	1,399,038	1,385,022
Buildings	2,195,247	907,741	1,287,506	1,295,340
Transportation equipment	2,241,192	1,787,398	453,794	316,019
Distribution equipment	1,745,896	1,158,660	587,236	584,703
Computer equipment	1,350,386	1,101,359	249,027	286,332
Miscellaneous assets	535,181	390,135	145,046	68,657
Office equipment	639,176	511,180	127,996	111,922
Contributions, capital	(2,006,603)	(262,985)	(1,743,618)	(1,447,817)
	\$ 60,312,791	\$ 31,562,391	\$ 28,750,400	\$ 28,175,014

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

4. Regulatory liability, net:

Regulatory assets and liabilities arise as a result of the rate-setting process. The Company has recorded the following assets and liabilities:

	2005	2004
Assets:		
Conservation and demand side management costs	\$ -	\$ 1,449
Post-market opening retail settlement variances:		
Wholesale market charges	1,434,650	903,643
Cost of power variance	(963,968)	(461,254)
Retail settlement variance accounts	200,975	165,954
Deferred payments in lieu of corporate income taxes	78,651	65,309
Commodity rebate costs	47,754	39,807
Other	261,423	-
Qualifying transitional costs recoverable:		
Transition costs	266,179	280,719
	<u>1,325,664</u>	<u>995,627</u>
Liabilities:		
Post-market opening transmission network and connection charges	(711,541)	(459,915)
Pre-market opening cost of power variance	(230,672)	(182,229)
	<u>(942,213)</u>	<u>(642,144)</u>
Less provision for unrecoverable interest	-	(230,244)
Recovery of regulatory assets	(529,339)	(332,988)
	<u>(529,339)</u>	<u>(563,232)</u>
	<u>\$ (145,888)</u>	<u>\$ (209,749)</u>

Certain regulatory assets represent costs incurred by the Corporation for the purpose of supporting the deregulation of the electricity industry in Ontario. These amounts have been accumulated pursuant to regulation underlying the EA and deferred in anticipation of their future recovery in electricity distribution service charges.

Qualifying transitional costs recoverable - represent specific and incremental costs to the Corporation for systems and process changes to support the opening of the competitive electricity market in Ontario on May 1, 2002 ("Market Opening").

Pre-market opening cost of power variance - represent the excess of the cost of the commodity electricity to the Corporation over the amount billed to its customers prior to Market Opening.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

4. Regulatory liability, net (continued):

Post-market opening retail settlement variances - represent amounts that have accumulated since Market Opening and comprise:

- (a) variances between amounts charged by the Independent Electricity System Operator ("IESO") for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission and network charges, and the amounts billed to customers by the Corporation based on the OEB approved wholesale market service transmission network and transmission connection rates;
- (b) variances between the amounts charged by the IESO to allow for purchases of electricity and the amounts billed to customers by the Corporation based on OEB approved rates;
- (c) deferred payments in lieu of income taxes - represent variances that result from the difference between OEB approved PILs recoverable in electricity distribution service charges and the actual amount of these charges to customers that relates to the recovery of PILs; and
- (d) conservation and demand management expenditures and recoveries - in May of 2004, the Minister of Energy granted approval to all distributors to apply to the regulator for an increase in their 2005 distribution rates, conditional on a commitment by the Company to reinvest an equivalent amount in conservation and demand management initiatives. The Company received approval to collect \$661,623 to be spent on conservation and demand management programs over the period ending September 30, 2007. To date the Company has spent \$229,276 on conservation and demand management activities. The remaining amount of \$432,347 will be expended by the Company prior to September 30, 2007.

5. Demand notes payable:

	2005	2004
Demand notes payable to shareholder, bearing interest at 7.25% per annum, with interest payments only, due on demand	\$ 15,600,000	\$ 15,600,000

Interest paid on the demand notes for the year ended December 31, 2005 was \$1,131,000 (2004 - \$1,131,000).

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

6. Post-employment benefits:

Information about Festival Hydro Inc.'s defined benefit plans is as follows:

	2005	2004
Accrued benefit obligation:		
Balance, beginning of year	\$ 1,152,145	\$ 1,109,000
Service cost	79,301	29,898
Interest cost	60,293	61,317
Benefits paid	(51,162)	(48,070)
Accrued benefit obligation, end of year	\$ 1,240,577	\$ 1,152,145
Components of net periodic benefits costs:		
Service cost	\$ 79,301	\$ 29,898
Interest cost	60,293	61,317
Net periodic benefit cost	\$ 139,594	\$ 91,215

An adjustment was made to set up a deferred charge of \$117,000 as at December 31, 2001 to reflect additional past service costs arising from the September 7, 2001 amalgamation which were discovered during the 2002 actuarial valuation. When employees retire, this amount will be reduced by charges to operations.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

7. Share capital:

	2005	2004
Authorized:		
Unlimited Class A special shares, non-cumulative, 5.0%		
Unlimited Class B special shares		
Unlimited common shares		
Issued:		
6,100 Class A special shares	\$ 6,100,000	\$ 6,100,000
6,995 common shares	9,468,388	13,537,111
	<u>\$ 15,568,388</u>	<u>\$ 19,637,111</u>

During the year, the Company purchased 3,006 common shares for cancellation for \$4,068,723.

Dividends paid on the 6,100 Class A special shares during 2005 totaled \$305,000 (2004 - \$305,000). Dividends paid on the 6,995 (2004 - 10,001) common shares during 2005 totaled \$720,957 (2004 - \$720,957).

8. Income taxes:

The provision for payment in lieu ("PILs") varies from amounts which would be computed by applying the Company's combined statutory income tax rate as follows:

	2005	2004
Basic rate applied to income before PILs 2005 -		
36.12% (2004 - 36.1%)	\$ 886,000	\$ 678,000
Tax effect of non-deductible expenses	7,000	5,000
Tax effect of non-taxable income	42,000	(49,000)
Other items	(10,000)	23,000
<u>Tax provision</u>	<u>\$ 925,000</u>	<u>\$ 657,000</u>

At year end, based on substantively enacted income tax rates, future income tax assets of \$1,813,000 (2004 - \$1,683,000) have been recorded. Such future income tax assets relate to tax basis of depreciable property, plant and equipment in excess of amounts recorded for accounting purposes. Such future tax assets have been recorded in the accounts.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

9. Pension agreements:

Effective February 1, 1989, the Festival Hydro Inc. commenced participation in the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer plan, for all active employees at the date as well as for all new employees. As of December 31, 2005, there were forty-seven active employees. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on their length of service and rates of pay.

Beginning January 1, 2004, contributions were set at a rate of 6.0% for employee earnings below the year's maximum pensionable earnings and 8.8% thereafter. Contributions by the Company for the year were \$175,467 (2004 - \$164,413). These rates increased to 6.5% and 9.6%, respectively, effective the first full pay of January, 2006.

10. Public liability insurance:

The Company is a member of the Municipal Electrical Association Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a pooling of public liability insurance risks of many of the electrical utilities in Ontario. All members of the pool are subject to assessment for losses experienced by the pool for the years in which they were members on a pro-rata basis based on the total of their respective service revenues. It is anticipated that should such an assessment occur it would be funded over a period of up to five years. As at December 31, 2005, no assessments have been made.

11. Credit risks:

Credit risk is the risk that a counterparty will fail to discharge its obligation to the Company reducing the expected cash inflow from Company assets recorded at the balance sheet date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions.

The Company has assessed that there are no significant concentrations of credit risk other than the present uncertainty relating to the recovery of regulatory assets. The final regulatory amount recoverable will be assessed in future years by the regulator after the audit of those costs.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

12. Change in non-cash operating working capital:

	2005	2004
Cash increase (decrease):		
Accounts receivable	\$ 610,945	\$ 1,043,853
Inventory	147,850	171,257
Prepaid expenses	(20,937)	66,346
Payment in lieu of income taxes	292,265	(1,277,021)
Unbilled revenue	(1,636,606)	(465,785)
Accounts payable	578,088	27,595
Accrued vacation, wages and benefits	39,980	(4,517)
Due to the Corporation of the City of Stratford	(124,217)	(9,530)
Due to Festival Hydro Services Inc.	115,650	69,274
	\$ 3,018	\$ (378,528)

13. Due to Festival Hydro Services Inc.:

The Company performs all of the administrative functions for Festival Hydro Services Inc. All expenses and revenue are paid and received through the Company according to a service level agreement dated September 1, 2002.

Effective January 1, 2002, the Company commenced charging interest on the balance owing from Festival Hydro Services Inc. at an interest rate equivalent to the Royal Bank's prime lending rate. When Festival Hydro Services Inc. is in a deposit position with the Company, interest is paid at the equivalent of Royal Bank prime less 1.85%. Net interest paid by the Company for the year was \$3,969 (2004 - \$2,659). There are no terms of repayment on the balance owing.

The Company and Festival Hydro Services Inc. are wholly owned by the Corporation of the City of Stratford.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

14. Commitments:

(a) Prudential support:

As a purchaser of electricity through the IESO, the Company is required to provide security to minimize the risk of default, based on its expected activity in the market. The IESO may draw on this security if the Company fails to make payment required by a default notice issued by the IESO. To satisfy this requirement, the Company has provided the IESO with an irrevocable standby letter of credit in the amount of \$4,382,133 which renews automatically on an annual basis. In addition, a treasury bill with a value of \$788,008 (2004 - \$1,815,681) is held as collateral in the custody of the IESO.

(b) Operating lease obligations:

As at December 31, 2005, the future minimum annual property lease payments with remaining lease terms of one year is as follows:

2006	\$	1,000

(c) Connection and cost recovery agreement:

The Company and Hydro One Networks Inc. entered into a twenty-five year capital cost recovery agreement ("CCRA") in September, 2002 relating to Hydro One Networks Inc. building new feeder positions at the existing St. Marys Transformer Station. Under the terms of the agreement, the Company has guaranteed new load growth which if not met, would require the Company to provide a financial contribution toward the capital investment of the Transformer Station.

The CCRA is trued-up every five years. Any excess revenues will reduce the term of the agreement. The Company anticipates load growth will continue to exceed the target amounts prescribed in the CCRA and expect no financial contribution will be required under the agreement.

FESTIVAL HYDRO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2005

15. Related party transactions:

During the year and within the normal course of operations, the Company provided water and sewer billing and collection services to the Corporation of the City of Stratford. Revenue earned by the Company was \$389,766 (2004 - \$336,503).

The Company also leases space to the Corporation of the City of Stratford for which it earned revenue in the year of \$30,000 (2004 - \$30,000).

Other PILS Support

	2001	2002	2003	2004	2005	2006 Total
2001 PIL Proxy	370,962.00		370,962.00			741,924.00
2001 Recoveries		(274,462.34)	(371,543.74)	(121,904.12)		(767,910.20)
2001 Interest		20,338.32	6,748.22	(284.25)	(1,884.00)	24,298.89
	370,962.00	(254,124.02)	6,166.48	(122,188.37)	(1,884.00)	(1,687.31)
						0.00
2002 PIL Proxy		1,226,571.00	1,226,571.00			2,453,142.00
2002 Recoveries		(907,833.73)	(1,231,980.33)	(403,070.60)		(2,542,884.66)
2002 Interest		18,666.71	21,821.26	(4,353.85)	(11,962.09)	20,206.70
2002 True ups			(9,294.00)	(67,325.00)		(76,619.00)
	0.00	337,403.98	7,117.93	(474,749.45)	(11,962.09)	(146,154.96)
						0.00
2004 PIL Proxy				1,226,571.00		1,226,571.00
2004 Recoveries				(759,102.54)	(416,724.67)	(1,175,827.21)
2004 Interest				24,192.16	4,689.63	27,232.77
2004 True ups					(119,927.00)	(119,927.00)
	0.00	0.00	0.00	491,660.62	(531,962.04)	(41,950.44)
						0.00
2005 PIL Proxy					1,246,265.25	1,663,875.25
2005 Recoveries					(831,803.65)	(1,349,974.75)
2005 Interest					22,740.23	32,490.18
2005 True ups						(59,864.00)
	0.00	0.00	0.00	0.00	437,201.83	286,526.68
Totals						
PIL Proxy	370,962.00	1,226,571.00	1,597,533.00	1,226,571.00	1,246,265.25	6,085,512.25
Recoveries	0.00	(1,182,296.07)	(1,603,524.07)	(1,284,077.26)	(1,248,528.32)	(5,836,596.82)
Interest	0.00	39,005.03	28,569.48	19,554.06	13,583.77	104,228.54
True ups	0.00	0.00	(9,294.00)	(67,325.00)	(119,927.00)	(256,410.00)
	370,962.00	83,279.96	13,284.41	(105,277.20)	(108,606.30)	96,733.97
						Interest
						Principal
						(7,494.57)

Interest Calculation	Outstanding Balance	Interest Income A/c 4405	Outstanding Principal	Total Recovered
Apr-09 Opening Balance	95,811.66	103,306.24	(7,494.58)	96,708.11
Interest @ 1.00	(6.25)	(6.25)	0.00	
Closing balance	95,805.41	103,299.99	(7,494.58)	96,708.11
May-09 Opening Balance	95,805.41	103,299.99	(7,494.58)	96,708.11
Interest @ 1.00	(6.25)	(6.25)	0.00	
Closing balance	95,799.17	103,293.75	(7,494.58)	96,708.11
Jun-09 Opening Balance	95,799.17	103,293.75	(7,494.58)	96,708.11
Interest @ 1.00	(6.25)	(6.25)	0.00	
Closing balance	95,792.92	103,287.50	(7,494.58)	96,708.11
Jul-09 Opening Balance	95,792.92	103,287.50	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,789.49	103,284.07	(7,494.58)	96,708.11
Aug-09 Opening Balance	95,789.49	103,284.07	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,786.05	103,280.63	(7,494.58)	96,708.11
Sep-09 Opening Balance	95,786.05	103,280.63	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,782.62	103,277.20	(7,494.58)	96,708.11
Oct-09 Opening Balance	95,782.62	103,277.20	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,779.18	103,273.76	(7,494.58)	96,708.11
Nov-09 Opening Balance	95,779.18	103,273.76	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,775.75	103,270.33	(7,494.58)	96,708.11
Dec-09 Opening Balance	95,775.75	103,270.33	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,772.31	103,266.89	(7,494.58)	96,708.11
2009 YTD Interest	(85.26)			
Jan-10 Opening Balance	95,772.31	103,266.89	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,768.87	103,263.45	(7,494.58)	96,708.11
Feb-10 Opening Balance	95,768.87	103,263.45	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,765.44	103,260.02	(7,494.58)	96,708.11
Mar-10 Opening Balance	95,765.44	103,260.02	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,762.00	103,256.58	(7,494.58)	96,708.11
Apr-10 Opening Balance	95,762.00	103,256.58	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,758.57	103,253.15	(7,494.58)	96,708.11
May-10 Opening Balance	95,758.57	103,253.15	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,755.13	103,249.71	(7,494.58)	96,708.11
Jun-10 Opening Balance	95,755.13	103,249.71	(7,494.58)	96,708.11
Interest @ 0.55%	(3.44)	(3.44)	0.00	
Closing balance	95,751.70	103,246.28	(7,494.58)	96,708.11
Jul-10 Opening Balance	95,751.70	103,246.28	(7,494.58)	96,708.11
Interest @ 0.89%	(5.56)	(5.56)	0.00	
Closing balance	95,746.14	103,240.72	(7,494.58)	96,708.11
Aug-10 Opening Balance	95,746.14	103,240.72	(7,494.58)	96,708.11
Interest @ 0.89%	(5.56)	(5.56)	0.00	
Closing balance	95,740.58	103,235.16	(7,494.58)	96,708.11
Sep-10 Opening Balance	95,740.58	103,235.16	(7,494.58)	96,708.11
Interest @ 0.89%	(5.56)	(5.56)	0.00	
Closing balance	95,735.02	103,229.60	(7,494.58)	96,708.11
Oct-10 Opening Balance	95,735.02	103,229.60	(7,494.58)	96,708.11
Interest @ 0.1.2	(7.50)	(7.50)	0.00	
Closing balance	95,727.52	103,222.10	(7,494.58)	96,708.11
Nov-10 Opening Balance	95,727.52	103,222.10	(7,494.58)	96,708.11
Interest @ 0.1.2	(7.50)	(7.50)	0.00	
Closing balance	95,720.03	103,214.61	(7,494.58)	96,708.11
Dec-10 Opening Balance	95,720.03	103,214.61	(7,494.58)	96,708.11
Interest @ 0.1.2	(7.50)	(7.50)	0.00	
Closing balance	95,712.53	103,207.11	(7,494.58)	96,708.11
Dec 10 YTD Interest	(59.78)			